CITY OF FRISCO, TEXAS
FY 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2025

CITY OF FRISCO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by:

Financial Services and Budget Departments

Chief Financial Officer	—	Derrick Cotten, CPA
Director of Financial Services	—	Minta Hovland, CPFO
Director of Budget & Strategic Planning	—	Tanya Anderson
Controller	—	Mary Anne Galang, CPA
Accounting Manager	—	Blaine Morris
Financial Reporting Manager	—	Adam Watkins

FRISCO
PROGRESS IN MOTION

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025

Table of Contents

	Page
INTRODUCTORY SECTION (unaudited)	
Letter of Transmittal	vii
GFOA Certificate of Achievement	xv
Elected Officials and Administrative Officers	xvi
Organizational Chart	xvii
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis (unaudited)	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	22
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	26
Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis	26
TIRZ #1 Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	27
Proprietary Fund Financial Statements	
Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Fund Net Position	31
Statement of Cash Flows	32
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	35
Statement of Revenues, Expenses, and Changes in Fiduciary Net Position	35
Component Units Fund Financial Statements	
Combining Statement of Net Position	37
Combining Statement of Activities	38
Notes to the Basic Financial Statements	40
REQUIRED SUPPLEMENTARY INFORMATION (unaudited)	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	94
Schedule of City Contributions	96
Notes to Schedule of City Contributions	97
Schedule of Changes in the City's Total OPEB Liability and Related Ratios TMRS Supplemental Death	98
Schedule of Changes in the City's Total OPEB Liability and Related Ratios Retiree Health Insurance	100

Table of Contents

Page

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Budget to Actual Comparisons - Major Funds

Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 106

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis 106

Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 107

Nonmajor Governmental Funds

Combining Balance Sheet 110

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 112

Budget to Actual Comparisons - Nonmajor Governmental Funds

Hotel/Motel Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 114

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis 114

Panther Creek PID Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 115

Grants Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 116

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis 116

CDBG Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 117

Traffic Control Enforcement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 118

TIRZ #5 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 119

TIRZ #6 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 120

TIRZ #7 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 121

Court Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 122

PEG Cable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 123

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis 123

Road Impact Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 124

Park Development Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 125

Nonmajor Proprietary Fund Financial Statements

Combining Statement of Net Position 128

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 131

Combining Statement of Cash Flows 132

Component Units Financial Statements

Combining Balance Sheet 136

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 137

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025

Table of Contents

	Page
Reconciliation of the Combining Balance Sheet of Component Units to the Statement of Net Position	138
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Component Units to the Statement of Activities	138
STATISTICAL SECTION (unaudited)	
Net Position by Component	142
Changes in Net Position	144
Governmental Activities Tax Revenues By Source	147
Fund Balances of Governmental Funds	148
Changes in Fund Balances of Governmental Funds	150
General Governmental Tax Revenues By Source	153
Property Values	154
Property Tax Rates - Direct and Overlapping Governments	156
Principal Taxpayers - Current Year and Nine Years Ago	159
Property Tax Levies and Collections	160
Ratio of Outstanding Debt by Type	162
Ratio of Net Bonded General Obligation Debt to Assessed Value and Net Bonded General Obligation Debt Per Capita	164
Computation of Direct and Overlapping Bonded Debt	166
Computation of Legal Debt Margin	167
Demographic and Economic Statistics	168
Principal Employers	169
City Government Employees by Function/Program	170
Operating Indicators by Function	171
Capital Asset Statistics by Function	172

FRISCO
PROGRESS IN MOTION

INTRODUCTORY SECTION

March 3, 2026

To the Honorable Mayor, Members of the City Council, City Manager, & Residents of the City of Frisco, Texas:

The Financial Services Department is pleased to submit the *Annual Comprehensive Financial Report (ACFR)* of the City of Frisco, Texas (the City), for the year ended September 30, 2025, in accordance with the City Charter.

This report is published to provide our residents, our bondholders, the City Council, staff and other interested parties with detailed information concerning the financial condition and activities of the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Forvis Mazars, Certified Public Accountants, has issued unmodified ("clean") opinions on the City of Frisco's financial statements for the year ended September 30, 2025. The report of the independent auditors is located at the beginning of the Financial Section.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with the MD&A which can be found immediately following the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements.

City Profile

The City of Frisco, incorporated in 1908, is in west central Collin County and east central Denton County, approximately 25 miles north of downtown Dallas at the intersection of the Dallas North Tollway (DNT) and State Highway 121 Sam Rayburn Tollway (SRT). US Highway 380 is the northern border for the City. Frisco is readily accessible via SRT from the Dallas Fort Worth International Airport or via the DNT from Love Field Airport in Dallas. The City currently encompasses (incorporated and unincorporated) 70 square miles which is approximately 13% undeveloped or available, and 8% floodplain.

Frisco is a political subdivision that operates as a home-rule city under the laws of the State of Texas and a charter approved by the voters in 1987 and amended in 2002, 2010 and 2019. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The government also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Council.

The City operates under the Council/Manager form of government. Policy-making and legislative authority are vested in the governing council, which consists of a Mayor and a six-member Council. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, attorney and municipal judge. The City Manager is the chief administrative officer. He is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the government, and for appointing the heads of the City Departments. The Council is elected on a non-partisan basis. Council members are elected to three-year staggered terms, with two council members elected every year. The Mayor is elected to three-year terms. The Council members and the Mayor are elected at-large and are limited to three consecutive elective terms.

Financial Reporting

The financial reporting entity (the government) includes all the funds of the primary government (the City of Frisco as legally defined, in addition to three discretely presented component units as discussed further in this report). Services that are provided have proven to be necessary and meaningful and are those that the City can usually provide at the most efficient cost. The government provides a full range of services including police and fire protection; emergency ambulance service; environmental health; sanitation services; community development; building inspections; traffic control; parks and libraries; the construction and operation of water, sewer, drainage, streets and infrastructure; convention and tourism activities, and cultural events. Additionally, general administrative services are provided by the City to the various City Departments.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Frisco Economic Development Corporation, the Frisco Community Development Corporation and the City of Frisco Charitable Foundation are included in the financial statements as discretely presented component units.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriation to the City Manager's Office each year during budget development. These requests are used to develop a proposed budget. The proposed budget is then presented to the City Council for review on or before August 15. The City Council is required to hold public hearings and to adopt a final budget no later than September 30, the close of the City of Frisco's fiscal year. The budget is prepared by fund (e.g., general), function (e.g., public safety), department (e.g., police), division (e.g., patrol), and object (e.g., expense). Transfer of appropriations within a department may be made with approval of the Department Head. Transfers within funds may be made with approval of the City Manager. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Financial reports are produced showing budget and actual expenditures by line item and are made available monthly for managers to review. All financial information is also available for managers online and in real time. Finance and budget staff analyze for budgetary compliance by line item. Personnel expenditures are monitored and controlled at a position control level and capital expenditures are monitored and controlled by project by the City Budget Office. Revenue budgets are reviewed monthly, and variances are reported to management and City Council.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Our location in North Texas and the population growth in Collin and Denton Counties have provided Frisco with great opportunities. Frisco is a community that offers exceptional housing, top ranked schools, and a dynamic business culture. We have a stable, diverse economic base, educated labor pool, strong property tax base, and are considered a shopping destination, which creates a high performing sales tax base. Data from the U.S. Census Bureau's 2024 American Community Survey shows Frisco's median household income at $145,444, which is considerably higher than the $79,700 median income for Texas. Also, according to the same survey, Frisco's residents are well-educated with 69.3% of adults age 25 or older holding a bachelor's degree or a higher level of education, compared to 34.2% for Texas. The survey also reports the unemployment rate is 5.6% higher than both Texas (4.8%) and national (4.6%) rates. Frisco’s unemployment rate is frequently lower than state and/or federal levels, however the increase from 2023 to 2024 is one data point that may indicate a moderating pace of economic growth.

The Frisco Economic Development Corporation (FEDC) continues to assist the City by facilitating new projects for growth and diversification. The FEDC also operates a business retention and expansion program to assist companies currently located in Frisco.

During FY25, fourteen (14) new projects were announced, with a potential of 668,006 square feet leased and 536,955 square feet of potential new mixed-use development creating a total capital investment of $630 million. Estimated potential direct jobs created or retained total 3,104. The prospect pipeline generates a strong stream of incoming leads monthly with FEDC staff generating thirty-five percent (35%) of new company leads on average.

Collin College Health Sciences Facility, Sports Academy, CohnReznick, and Social Finance, Inc. announced expansions of their current Frisco facilities. During 2025, Toyota Financial Services, Public Storage, Deloitte, Chobani, LITMindtree, Tidal League, and Billings Productions, Inc. announced relocation of regional corporate and headquarters offices to Frisco.

On May 18, 2025, the City and EDC in partnership with Plug and Play Tech Center opened Origin™ a new innovation focused facility designed to bring industry specific accelerator programming, sports-tech innovation in human potential and international startups support to the region. Origin's tagline is where ingenuity meet performance. Plug and Play operates the open innovation hub in Frisco focused on startup education, investor network programming and intake of early stage sportstech and fintech startups from Frisco, across the North Texas region and the world to accelerate business growth opportunities through investor pitches and corporate partnerships. Since 2020, Plug and Play has been the most active startup accelerator in the world with an average deal count of 929 per year.

The new development at HALL Park marks a turning point for the next 30 years of redevelopment of the campus as it moves towards a mixed-use community focus. Phase one included 3 new towers: a 16-story Class A office tower, a 19-story luxury residential tower, and a 224-key luxury boutique hotel with extended stay suites. In addition, the City of Frisco and Hall Group collaborated on the expansion of Kaleidoscope Park in a Public-Private Partnership that adds more amenities and room for future expansion of the park. In April 2026, Hall Park will begin construction on a new high-rise "trophy" Class A office tower with pre-finished executive suites and amenities – a freestanding element in the second phase of Kaleidoscope Park.

The Mix project, formerly known as Wade Park, kick-started construction to redevelop the previously stalled development project under a new vision established by a revised Planned Development as part of a new long-term agreement approved between the developers JVP, the City of Frisco, The Frisco Economic Development Corporation, and Frisco Community Development Corporation. The 175+ acre mixed use, master planned development will include more than 2.1 million square feet of Class A office and 3,300 residential units. Phase 1 includes development of an upscale grocery store by Whole Foods, in addition to 33,000 square feet of upscale retail, 630 urban living/townhomes, 114,000 square feet of Class A office facilities, and redevelopment of a subterranean parking structure, which will accommodate 2,250 parking space including 500 public spaces. Phase 1 will deliver in 2026.

Fields West, a 'best-in-class' mixed-use development along Dallas North Tollway (DNT) and Fields Parkway is beginning to shape Frisco's northern business corridor. The mixed-use project will be built on 49.5 acres, south of Fields Parkway and west of Dallas Parkway. The development will include Class A Office, retail, entertainment, restaurant, recreation, residential and open space(s). Collectively, the mixed-use, master planned community is estimated to have a value of more than $660 million. The developer must build 350,000 square feet of upscale retail and restaurant space, 320,000 square feet of Class A office space, and 1,100 multifamily units. Fields West is part of 2,500 contiguous acres spanning the city's northern border. Aside from PGA of America—a 600-acre campus which opened in 2022—Universal Kids is being developed east of the DNT, north of Panther Creek Parkway.

Firefly Park Development began construction on the 200+ acre mixed use planned development. Dream Hotels announced a 200-key boutique luxury hotel as its first location in North Texas to be the anchor hospitality project of Firefly Park. The landmark project calls for a total of 3 million square feet of office space, 2,200 residential units and 340,000 square feet of planned retail space. Phase 1 includes 170,000 square feet of upscale retail, 340,000 square feet of Class A office, and 170,000 square feet of upscale hospitality. The project is set to include a $30 million private park and open space with a trail system along a chain of small lakes and parks with an outdoor amphitheater.

On September 17, 2024, The City of Frisco, the Frisco Community Development Corporation, Frisco Independent School District, and the Hunt Family announced agreements to extend the lease term for major league soccer team FC Dallas and to fund up to $182 million in improvements for Toyota Stadium. The renovations include but are not limited to 3,400 more seats; a structure for shaded seating; upgrades to the club and luxury suites; as well as new broadcast booths and press box areas. The development agreement also extends the stadium lease more than 30 years. The project will also deliver more than $1 billion in private investment of phased mixed-use development. Phase 1 includes a 200-key upscale hotel; 30,000 square feet of retail and restaurant space; and a 200-unit multifamily luxury, high-rise building to be delivered by 2035; Phase 2 includes 200,000 square feet of Class A office space and a new structured parking garage to be completed by 2037.

Star Business Park has continued to add significantly to the Frisco property tax base with hundreds of jobs created by numerous tenants including Fortune 500 companies such as Amazon and Home Depot. With more than 1.5 million square feet of commercial light industrial facilities since inception, the development has continued to grow, adding nearly one million square feet of new buildings, facilities and new employers since 2024. The development is currently under an expansion construction phase as well with at least two additional large warehouse and flex-showroom buildings to be completed in 2026.

The City has committed to reinvestment in the historic downtown, also known as the Rail District. The Frisco EDC has continued to support the City in downtown property assembly along Main Street and launched the Frisco Rail District Investment Zone Pilot Program to support façade and infrastructure developments and business attraction in downtown. In 2025, the EDC supported ElmWorks Offices in the Rail District with the first infrastructure grant in the pilot program. The Frisco Community Development Corporation adopted the Frisco Rail District Investment Zone Pilot Program in late 2024, and at the end of 2025, the CDC had 10 applications for facade and infrastructure improvements to downtown buildings. The City continued more than $80 million in construction on downtown streets and infrastructure, including development of a public parking garage and park plaza to be completed in the first quarter of 2026.

The Frisco EDC completed the second year of its three-year innovation strategy focused on targeted initiatives to attract high-growth tech firms, corporate innovation, venture capitalist offices, and smart cities technologies to Frisco. In 2025, Frisco attracted one technology company and hosted several venture capitalist investors and attended the largest smart city conference participating on panels attracting smart city technology pilots and investment to Frisco. In 2025, Frisco hosted the annual Kick-Off Party celebrating the opening of Dallas Startup Week on August 3, 2025.

Frisco's housing development saw a decline in single-family permitting as the City reaches full residential build out with 1,084 housing permits issued in 2025. There were twenty-two (22) new multi-family permits issued in 202, totaling more than 6 million square feet valued at more than $841 million and there were 127 new commercial permits, totaling more than 4.7 million square feet and valued over $900 million this is an exponential growth compared to the previous year in these two categories.

Frisco is a tourism destination leader with venues and attractions that generate significant economic benefits to Frisco retailers, restaurants, hotels, as well as other businesses. In 2024, 8 million visitors came to Frisco, a 6.2% increase from the previous year, spending $6 million per day with an estimated economic impact of $2.6 billion. In 2025, for the third consecutive year, Frisco hosted the 60th annual Academy of Country Music Awards (ACMA) Show at Ford Center at The Star. In addition, Frisco has long capitalized on the major league and professional sports venues to attract national and globally televised sporting events. PGA Frisco hosted the KMPG Women's Championship in May 2025, the second of six major championships over the next 12 years, including two PGA Championships, expecting to bring thousands of attendees and generate millions in economic impact. Universal Kids Resort is actively under construction, and the new tourism destination is projected to open in early spring 2026. Dallas-Fort Worth region was also selected to be one of the 2026 World Cup finalist cities. Frisco will serve as a hub location for practicing teams and soccer sport professionals from across the globe. The economic impact of the events is expected to be among the highest ever in North Texas.

Frisco ISD (FISD), a public school district within the City considers itself a "Destination District" for families moving to or relocating within the North Texas area. There are currently 77 schools, including

43 elementary, 1 intermediate school, 18 middle schools, 12 high schools and 3 special program centers. Frisco ISD's student enrollment for the 2024-2025 school year was 59,567. A Bond Referendum passed in November 2018 provides capital for the FISD's continued building program through the 2025-26 school year or 72,000 students. Other ISD's in the City of Frisco include Plano, McKinney, Prosper, Lewisville, and Little Elm. As part of FISD's 2025-2026 Strategic Goals, the ISD is attracting new students to the district by providing out-of-district transfer options and in the 2026-2027 school year, the district is launching a new virtual learning opportunity.

The City of Frisco and UNT's partnership has continued to bring the innovation of UNT to the community through what ultimately will be a 100-acre branch campus in North Central Frisco, at the southwest corner of Preston Road and Panther Creek Parkway designed to serve at least 5,000 students in the first anchor building. In 2025, UNT Frisco completed Look North 2030 Strategic Plan focused on amplifying its R1 research status, driving innovation and entrepreneurship through new curriculum and training, and in September 2025, launched the Texas Talent Accelerator at UNT Frisco in partnership with the Texas Legislature to monitor and address emerging regional workforce needs. The City and EDC participated in the Look North 2030 Strategic Plan process by providing insights, labor data for Frisco, and sharing economic strategy insights from the EDC on Frisco's growing business community. Collin College, a community college district in Collin County, continues to expand the Preston Ridge Campus (PRC) in Frisco with current enrollment of more than 8,000 students. In 2025, Collin College opened a new Health Sciences Center in the Frisco campus to meet the growing needs of healthcare professional jobs across Collin County and the region.

Looking ahead to 2026 and beyond, the City anticipates continued development interest and investment as our business attraction and retention efforts, as well as our schools, public safety, infrastructure, and parks systems make Frisco one of the best places to live, work, play, educate and innovate.

Long-Term Financial Planning-Capital Improvement Program

The City has a high level five-year financial model including staffing requirements and a five-year capital improvement plan. We monitor our property values added through building permits, sales tax collections, and residential building permit starts. Master Planning for the locations of future Fire Stations, Parks, and Public Facilities are completed and approved by the City Council. The City encourages and provides incentives for new and updated opportunities and developments to sustain our financial economy. Staffing levels are recommended by Executive Directors due to growth and programming demands during the annual budget process. The City used bond authority approved by voters in May 2019 and May 2023 for the fiscal year 2025 Capital Improvement Program.

In August 2025 (FY25), the City issued additional general obligation debt of $115.7 million to fund Roadways $51 million, Public Safety $38 million, and Parks Development and Facilities $26.7 million.

Infrastructure (including roads and drainage) includes Frisco Street roundabouts, Dallas Parkway, Legacy Drive, Teel Parkway, and various traffic projects, and is funded through voter approved bonds, impact fees and developer contributions.

Certificates of Obligation were issued for the construction of roadways in the Firefly Development $20 million, public parking garages in the Fields Development $70 million, Grand Park construction $20 million, and several water and sewer system improvements $70 million. The impact of the Capital Improvement Program on the operating budgets of the City and the project listing for current and planned projects is included in detail in the FY25 Annual Budget.

According to our financing plan, we will be issuing debt in June 2026 to continue our capital improvement plan, including General Obligation Bonds and Certificates of Obligation to provide funding for infrastructure and building projects.

Relevant Financial Policies

The City Council formed the Finance & Audit Committee in 2003. The Committee meets on an as-needed basis, and at least quarterly, to discuss financial and budgetary information for long-term planning, financial policies, fund balance reserve requirements, tax rate recommendations and fees for services recommendations.

We continue to contract services to provide internal control monitoring and to provide a reasonable assurance of proper recording of financial transactions. We have developed a model which allows staff to evaluate risks and action plans for internal controls.

The City has recognized the long-term financial implications of its pension and retiree health benefits, as well as staffing compensation decisions and policies. Regarding pensions, we have adopted funding as proposed by the Texas Municipal Retirement System to ensure the long-term strength of the plan. For retiree health care, we provide an optional retirement health plan, funded by the retirees to meet their health care insurance coverage needs until age 65. We review plan designs for our benefits offered on an annual basis to provide a sustainable benefit to our employees without shifting costs to future taxpayers and to comply with any new federal laws and regulations. Other Post Employment Benefit (OPEB) liabilities are based on an actuarial study each year.

The City has adopted financial policies that set forth the basic framework for the fiscal management of the City. These policies are developed within the parameters established by applicable provisions of the Texas Local Government Code and the City Charter. The policies are reviewed on an annual basis and new policies are added or current policies modified to accommodate changing circumstances or conditions and best practices.

None of the City's financial policies had a significant impact on the current period's financial statements, as the City was able to maintain reserve levels within the stated policies for the governmental funds. Constant review of revenue and expenditure trends and reserve levels is maintained with specific responsibility assigned to the Chief Financial Officer.

Budget Development 2026

The FY26 approved appropriation provides funding for implementation of City Council's strategies and priorities as adopted during 2025. As we developed the funding plan for FY26, special considerations were given to inflation which impacts operational costs and construction costs, and the many special projects that we continue to manage. The population assumption growth is 3.15%. The FY26 budget advances Council priorities by strengthening core services, investing in public safety and infrastructure, supporting strategic development, and positioning Frisco for sustainable long-term growth while maintaining the community's high quality of life.

We added 62 new positions (55 full time and 7 part time/seasonal) for FY26. Staffing for FY26 includes 1,928 authorized positions, with 1,706.55 FTE (full-time equivalent), or approximately 6.99 FTE per capita (1,000 population). Of the total new positions, 8 were for water and sewer. With the current

labor market demands, additional funding of approximately $8.3 million is included in the FY26 budget for additional personnel funding. An average 4% merit-based increase for civilians and a one step 3% increase for uniformed staff was approved. Market increases to salaries to remain competitive in the surrounding area were funded in FY26, with plans to review recruitment practices and retention compensation policies again in FY26 to maintain the City's competitiveness and ability to attract and retain talent. Insurance premiums were held steady for employees with the City absorbing rate increases.

The Finance & Budget Manual was updated and details our major revenue sources and budget development methodology. Links to various information sources regarding property taxes and sales tax are included in the manual. Financial Services also published a condensed version of the Annual Report, *Citizen's Financial Report*, which is very well received and offers a short recap of the financial position and the past year's achievements and statistics. The Budget Office prepared a *Citizen's Budget in Brief* which offers a short recap of the adopted budget and the executive summary written by the City Manager.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Frisco for its *Annual Comprehensive Financial Report (ACFR)* for the fiscal year ended September 30, 2024. This was the twenty-third year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government unit had to publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been accomplished without the dedicated services of the entire staff of the Financial Services Department, Budget Department, and our independent auditors. We would like to express our appreciation to staff of the other City departments who assisted and contributed to the preparation and publication of this report in any way. Special thanks are extended to members of the City Council and City Manager's Office for their leadership, oversight and support of professionalism and sound fiscal management.

Respectfully submitted,

Derrick Cotten, CPA
Chief Financial Officer

Minta Hovland, CPFO
Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Frisco
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Executive Director/CEO

City of Frisco, Texas

Elected Officials and Administrative Officers
September 30, 2025

Council Members

Mayor	Jeff Cheney
Mayor Pro-tem, Place 1	John Keating
Deputy Mayor Pro-tem, Place 5	Laura Rummel
Councilmember, Place 2	Burt Thakur
Councilmember, Place 3	Angelia Pelham
Councilmember. Place 4	Jared Elad
Councilmember, Place 6	Brian Livingston

Administrative Officers

City Manager	Wes Pierson
Deputy City Manager	Henry Hill
Assistant City Manager	E.A. Hoppe
Assistant City Manager	Ben Brezina
Assistant City Manager	Rob Millar
City Attorney	Richard Abernathy
City Judge	Art Maldonado
City Secretary	Kristi Morrow
Chief Financial Officer	Derrick Cotten
Chief Frisco Fire	Lee Glover
Chief Frisco Police	David Shilson
Chief Information Officer	Melissa Kraft
Director of Administrative Services	Daniel Ford
Director of Budget & Strategic Planning	Tanya Anderson
Director of Communications	Dana Baird-Hanks
Director of Development Services	John Lettelleir
Director of Financial Services	Minta Hovland
Interim Director of Human Resources	Kathy Shields
Director of Library Services	Shelly Holley
Director of Parks & Recreation	Shannon Coates
Director of Engineering	Jason Brodigan
Director of Public Works	Gabe Johnson
Economic Development President	Jason Ford
Executive Director Visit Frisco	Marla Roe

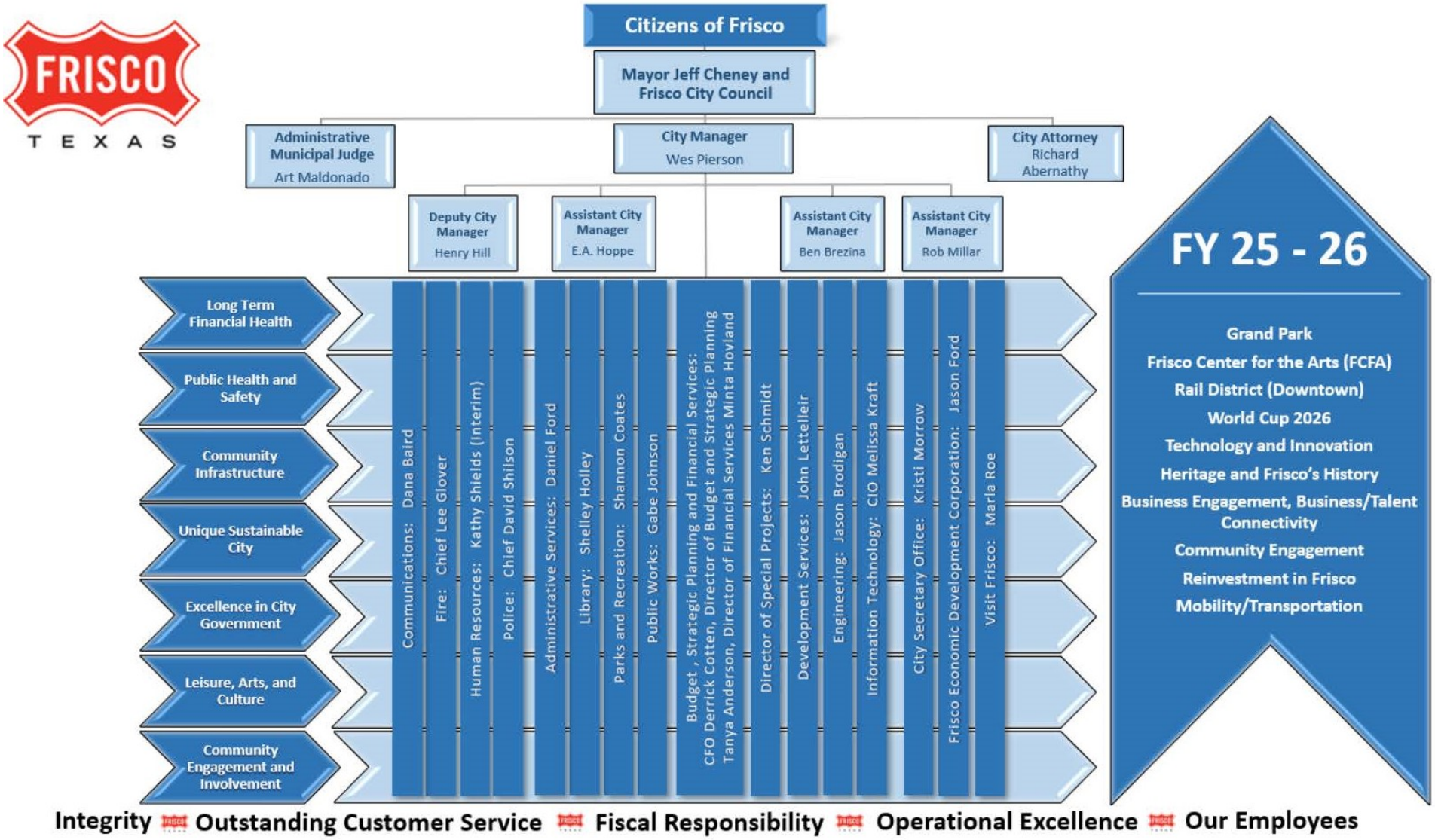

Citizens of Frisco
Mayor Jeff Cheney and Frisco City Council
Administrative Municipal Judge Art Maldonado
City Manager Wes Pierson
City Attorney Richard Abernathy
Deputy City Manager Henry Hill
Assistant City Manager E.A. Hoppe
Assistant City Manager Ben Brezina
Assistant City Manager Rob Millar
Long Term Financial Health
Public Health and Safety
Community Infrastructure
Unique Sustainable City
Excellence in City Government
Leisure, Arts, and Culture
Community Engagement and Involvement
Communications: Dana Baird
Fire: Chief Lee Glover
Human Resources: Kathy Shields (Interim)
Police: Chief David Shilson
Administrative Services: Daniel Ford
Library: Shelley Holley
Parks and Recreation: Shannon Coates
Public Works: Gabe Johnson
Budget , Strategic Planning and Financial Services: CFO Derrick Cotten, Director of Budget and Strategic Planning Tanya Anderson, Director of Financial Services Minta Hovland
Director of Special Projects: Ken Schmidt
Development Services: John Lettelleir
Engineering: Jason Brodigan
Information Technology: CIO Melissa Kraft
City Secretary Office: Kristi Morrow
Frisco Economic Development Corporation: Jason Ford
Visit Frisco: Marla Roe
FY 25 - 26
Grand Park
Frisco Center for the Arts (FCFA)
Rail District (Downtown)
World Cup 2026
Technology and Innovation
Heritage and Frisco's History
Business Engagement, Business/Talent Connectivity
Community Engagement
Reinvestment in Frisco
Mobility/Transportation
Integrity Outstanding Customer Service Fiscal Responsibility Operational Excellence Our Employees

Chart presented in effect as of 10/1/2025

FRISCO
PROGRESS IN MOTION

FINANCIAL SECTION

Forvis Mazars, LLP
14221 Dallas Parkway, Suite 400
Dallas, TX 75254
P 972.702.8262 | F 972.702.0673
forvismazars.us

Independent Auditor's Report

The Mayor and City Council
City of Frisco, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Frisco, Texas (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and TIRZ #1 funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a

material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and

budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Dallas, Texas
February 17, 2026

FRISCO
PROGRESS IN MOTION

Management's Discussion and Analysis (Unaudited)

As management of the City of Frisco, (the City), we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2025. In the broadest context, the financial well being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so the City's tax base, service levels, City assets and the City's desirability will be maintained, not just for the current year, but well into the future.

Financial reporting is limited in its ability to provide this "big picture", but rather focuses on financial position and changes in said financial position. In other words, are revenues and/or expenses/ expenditures higher or lower than the previous year? Has net position (containing both short-and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (starting on page vii of this report) and the statistical section (page 139), as well as information on the City Council's Strategic Goals, the Annual Budget and other community information found on the City's website at www.friscotexas.gov.

It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Frisco exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $2,841,357,221 (net position). The majority of the City's assets are invested in capital assets or restricted for specific purposes. The remaining $263,267,545 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fiscal policies.
- The City's net position for governmental activities increased by $167,265,069.44 as a result of this year's operations. Net position of the City's business-type activities increased as a result of this year's operations by $40,725,952.
- As of the close of the current fiscal year, the City of Frisco's governmental funds reported a combined ending fund balance of $869,536,708. Approximately 13% of this total is available for spending at the City's discretion (unassigned).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $114,455,706 or 39% of total General Fund expenditures.
- The deferred outflows of the City decreased by $3,554,042 or 9% during the fiscal year. This change is due to amortization of prior balances
- The deferred inflows of the City increased by $342,106 or 0.3% during the fiscal year. This is primarily due to pension related deferred inflows in the current year associated with changes in actuarial assumptions and investment experience.
- The City of Frisco's total debt increased by $228,174,804 or 20% during the fiscal year.

- The ad valorem rate for the City was $.425517 for fiscal year 2025. This tax rate supports debt service, operations and maintenance, and bond programs to construct infrastructure and city facilities. The homestead exemption for residential properties remained at 15% for fiscal year 2025 tax statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Frisco's basic financial statements. The City of Frisco's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Frisco finances, in a manner similar to a private-sector business.

The government-wide financial statements are prepared utilizing the economic resources measurement focus and the accrual basis of accounting. The *statement of net position* presents information on all the City of Frisco's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Frisco is improving or deteriorating. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e., roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All the revenues and expenses are considered as soon as the underlying event giving rise to the item occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, retirement plan liabilities and earned but unused vacation leave).

In the statement of net position and the statement of activities, the City's reporting entity is divided into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, library, planning and development, traffic engineering, parks and recreation, public works, information technology services, finance, human resources and general administration. Property taxes, sales taxes, franchise taxes, charges for services and intergovernmental revenue finance most of these activities.
- Business-type activities – Includes services for which the City charges a fee to customers to cover all or most of the cost of providing such services. The City's water and sewer system operations, stormwater operations and environmental services are reported as business-type activities.
- Component units – The City includes three separate legal entities in its report – the Frisco Economic Development Corporation, the Frisco Community Development Corporation and the City of Frisco Charitable Foundation. Although legally separate, these "component units" are included because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund financial statements. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the Chief Financial Officer establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The City's three kinds of funds – governmental, proprietary and fiduciary – utilize different accounting approaches.

- Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is detailed in a reconciliation following each of the governmental fund financial statements.

  The City of Frisco maintains sixteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Tax Increment Reinvestment Zone Fund (TIRZ), Capital Projects fund, and the Debt Service fund all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements starting on page 110 of this report.

- Proprietary funds – The City charges customers directly for certain services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a fund type of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements, but enterprise fund financial statements provide more detail and additional information, such as cash flows.

  The City of Frisco maintains three individual enterprise funds. The City uses enterprise funds to account for its water and sewer, storm drainage, and environmental services activities. Only the water and sewer fund is considered to be a major fund of the City.

- Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government wide financial statements because resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that of proprietary funds.

  The City of Frisco maintains one fiduciary fund for the Tourism Public Improvement District.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information (RSI) concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to the employees.

THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position and assets by category may serve over time as a useful indicator of the government's financial position. In the case of the City of Frisco, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $2,841,357,221 as of September 30, 2025.

By far the largest portion of the City's net position (85%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment, net of accumulated depreciation and amortization); less any related debt used to acquire those assets that is still outstanding. The City uses these capital and lease assets to provide services to citizens; consequently, the assets are not available for future spending. Although the City's investment in its capital and lease assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Frisco Net Position
September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 1,084,237,304	$ 976,536,699	$ 305,964,319	$ 247,940,868	$ 1,390,201,623	$ 1,224,477,567
Capital, lease, & subscription assets	2,533,898,750	2,271,083,933	643,112,918	599,880,152	3,177,011,668	2,870,964,085
Total assets	3,618,136,054	3,247,620,632	949,077,237	847,821,020	4,567,213,291	4,095,441,652
Deferred outflows of resources	31,580,634	34,687,138	4,339,715	4,787,253	35,920,349	39,474,391
Other liabilities	100,162,693	79,206,683	20,873,838	17,441,336	121,036,531	96,648,019
Long term liabilities	1,279,087,259	1,099,732,911	239,765,392	183,623,782	1,518,852,651	1,283,356,693
Total liabilities	1,379,249,952	1,178,939,594	260,639,230	201,065,118	1,639,889,182	1,380,004,712
Deferred inflows of resources	120,811,022	120,977,531	1,076,215	567,600	121,887,237	121,545,131
Net investment in capital assets	1,877,000,303	1,719,006,495	531,028,372	493,028,421	2,408,028,675	2,212,034,916
Restricted	149,831,316	140,794,627	20,229,685	28,299,111	170,061,001	169,093,738
Unrestricted	122,824,095	122,589,523	140,443,450	129,648,023	263,267,545	252,237,546
Total net position	$ 2,149,655,714	$ 1,982,390,645	$ 691,701,507	$ 650,975,555	$ 2,841,357,221	$ 2,633,366,200

An additional portion of the City's net position (6%) represents resources that are subject to external restrictions on how they may be used, including bond covenants. The remaining balance of unrestricted net position $263,267,545 may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. As of September 30, 2025, the City is able to report positive balances in all three net position categories, both

for the government, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal years.

Analysis of the City's Operations – Overall the City had an increase in net position of $207,991,021.

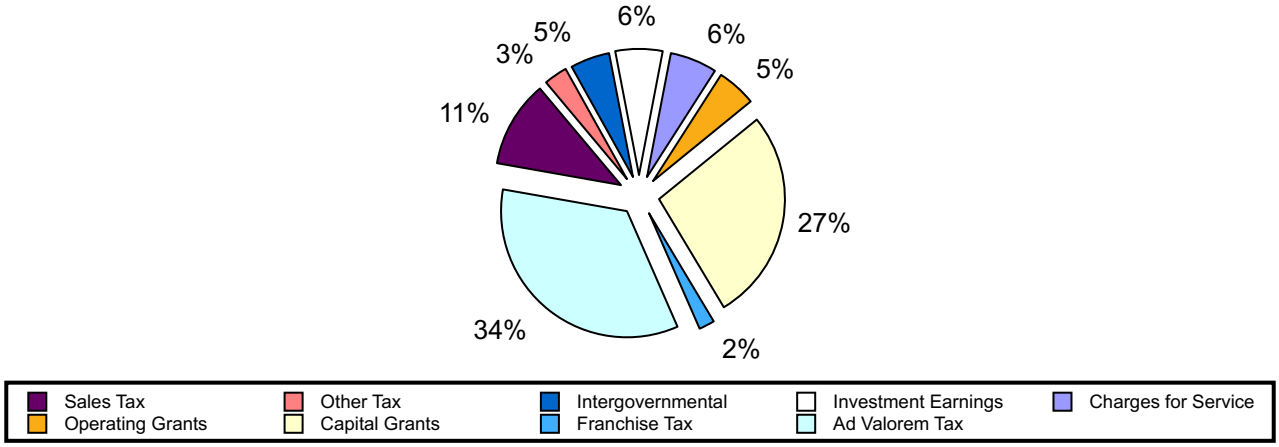
Governmental activities: Governmental activities increased the total net position by $167,265,069, which represents 80% of the total growth. Net investment in capital assets increased by $157,993,808 due to increases in capital investment (or projects completed during the year) and net of changes in debt. Unrestricted net position showed a increase of $234,572. Restricted net position increased by $9,036,689 primarily due to increases in activity in the City's Tax Increment Reinvestment Zone.

Total revenues for governmental activities increased when compared to the prior year by $119,129,544. General revenue had an increase of $2,675,485, while program revenues had an increase of $116,454,059. These were primarily due to the following factors:

General revenues: Property tax revenue includes an increase of $16.5 million and is due to a combination of the increased value in existing property and the value generated by new improvements. Sales taxes increased $1.4 million, which continues to remain stable after a period of rapid growth following the pandemic. Franchise taxes had a net increase of $2.2 million and other taxes showed an increase of $1.0 million. Intergovernmental revenues decreased $19.3 million due to reclassification of component unit transfers to program revenues. Investment earnings decreased by $2.4 million due to overall market conditions.

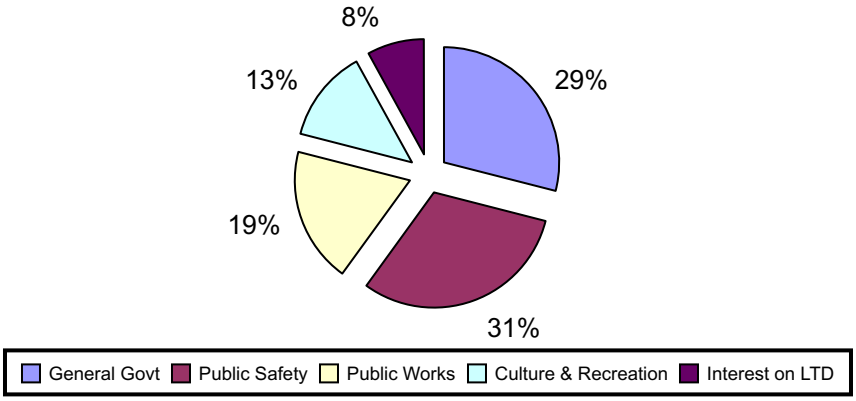
Program revenues: Charges for services increased by $7.2 million during the year, primarily due to increases in building permits and rental revenue. Operating grants and contributions increased this fiscal year due to state funds received as a part of the Omni PGA qualified hotel project. Capital contributions increased $83 million during the year, primarily driven by various capital asset contributions, including Kaleidoscope park, and Toyota Stadium improvements.

FY 25 Governmental Revenues



Total expenses for governmental activities increased $63 million or 15%. Drivers of this increase include economic growth and expanding service demands across City departments, inflationary pressures affecting wages, materials and contracted services. Additionally, $12 million in state incentive payments were made under the Omni PGA agreement, representing the first year such payments were made. General government expenses include a payment of $22.5 million to Frisco Independent School District as part of the agreement with the TIRZ to provide property tax revenue generated in the TIRZ for school district construction and maintenance and operations expenses. Incurred expenses of $148.0 million were to provide public safety to the citizens of Frisco. These expenses were somewhat offset by the collection of revenues from various sources, including grant income and charges for services. Public works incurred significant expenses of $89 million to provide roadway repairs and traffic control/signals for the citizens. These expenses include depreciation for City infrastructure. Total salaries and benefits for the governmental activities totaled approximately $186.6 million or 39% of the total, while depreciation expense totaled $107.2 million or 23%.

FY 25 Governmental Expenses



Business-type activities: Net position from business-type activities increased by $40,725,952 accounting for the remaining total growth. Program revenues of the City's business-type activities were $238,626,093 for the fiscal year, a .5% increase over the prior fiscal year. Operating expenses increased by 18% for a total of $198,876,370. Factors include the following:

The City's water and sewer system recorded charges for services of $161,870,972, and impact fees and contributions of $36,931,029. Total operating expenses were $166,957,744. The most significant expenses of the water and sewer fund were $58,846,821 to purchase water which saw a 14% increase from prior year, due to increase costs charged by the North Texas Municipal Water District, $38,865,349 for the cost of sewage treatment, $30,455,263 for depreciation and $20,701,890 for salaries and benefits.

City of Frisco's Changes in Net Position
For the years ended
September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$ 40,198,889	$ 33,044,314	$ 201,101,979	$ 188,104,273	$ 241,300,868	$ 221,148,587
Operating grants and contributions	34,567,924	8,192,900	501	20,311	34,568,425	8,213,211
Capital grants and contributions	166,920,497	83,996,036	37,523,613	49,372,513	204,444,110	133,368,549
Total program revenues	241,687,310	125,233,250	238,626,093	237,497,097	480,313,403	362,730,347
General revenues						
Ad valorem tax	219,764,171	203,270,427	—	—	219,764,171	203,270,427
Sales tax	71,287,695	69,858,143	—	—	71,287,695	69,858,143
Franchise tax	15,189,336	12,971,305	—	—	15,189,336	12,971,305
Other tax	16,108,977	15,061,554	—	—	16,108,977	15,061,554
Grants and contributions not restricted to specific programs	3,227,067	—	—	—	3,227,067	—
Intergovernmental	29,955,133	49,284,634	—	2,136,996	29,955,133	51,421,630
Gain on sale of capital asset	—	—	182,750	—	182,750	—
Investment earnings	40,363,924	42,774,755	9,651,961	11,109,390	50,015,885	53,884,145
Total general revenues	395,896,303	393,220,818	9,834,711	13,246,386	405,731,014	406,467,204
Total revenues	637,583,613	518,454,068	248,460,804	250,743,483	886,044,417	769,197,551
Expenses						
General government	137,969,533	113,278,014	—	—	137,969,533	113,278,014
Public safety	147,997,999	129,266,692	—	—	147,997,999	129,266,692
Public works	88,535,002	74,720,050	—	—	88,535,002	74,720,050
Culture and recreation	62,300,404	57,101,287	—	—	62,300,404	57,101,287
Interest	36,206,209	36,018,232	—	—	36,206,209	36,018,232
Water and sewer	—	—	173,125,622	143,458,432	173,125,622	143,458,432
Other enterprise funds	—	—	31,918,626	29,903,499	31,918,626	29,903,499
Total expenses	473,009,147	410,384,275	205,044,248	173,361,931	678,053,395	583,746,206
Increase in net position before transfers	164,574,466	108,069,793	43,416,556	77,381,552	207,991,022	185,451,345
Transfers	2,690,604	3,473,700	(2,690,604)	(3,473,700)	—	—
Increase in net position	167,265,070	111,543,493	40,725,952	73,907,852	207,991,022	185,451,345
Net position, October 1	1,982,390,645	1,870,847,152	650,975,555	577,067,703	2,633,366,200	2,447,914,855
Net position, September 30	$ 2,149,655,715	$ 1,982,390,645	$ 691,701,507	$ 650,975,555	$ 2,841,357,222	$ 2,633,366,200

THE CITY'S FUNDS

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the close of the City's fiscal year on September 30, 2025, the governmental funds of the City reported a combined fund balance of $869,536,708, an increase of $92,261,762 in comparison with the prior year. Unassigned fund balance, which is available for spending at the government's discretion, constitutes $114,455,706 of this balance. The remainder of fund balance is non-spendable, restricted, committed or assigned. 1) Non-spendable fund balances of $9,387,543 includes prepaids and inventories held by the government, 2) Restricted balances includes bond proceeds and other assets restricted for capital projects $541,348,259, reserves to pay debt service $9,772,952, impact fee revenues restricted for capital project funding $57,632,556, TIRZ #1 balances for other purposes $24,797,607, and other special revenues restricted for a specific purpose $23,257,387, 3) Committed funds included commitments made by resolution by the governing body for insurance reserves and other post-employment benefits (OPEB) $27,112,523, workforce housing programs $293,906 and the capital reserve fund $26,003,038. 4) Assigned fund included commitments made by management for equipment and deferred maintenance $16,299,780 and infrastructure $19,175,451.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $114,455,706, while total fund balance reached $210,915,844. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39% of total General Fund expenditures, while total fund balance represents 71% of that same amount. The fund balance of the City's General Fund increased $13,055,834 during the current fiscal year attributed mainly to increases in collections for property tax, and investment earnings while expenditures for most functional areas were less than originally budgeted. Property tax revenue increases were mainly attributable to an 5% increase in taxable values driven by increased local real estate market values and 4% in new developments. Investment earning saw a decrease in returns due to market conditions.

The TIRZ #1 Fund has a total fund balance of $24,797,607. This amount is restricted for future projects within the zone. The changes in the fund balance are attributed to increased property tax, intergovernmental and rent revenue. Reasons for increased property tax revenue mirror the general fund, while rent revenue increased due to contract amendments for Toyota stadium.

The Capital Projects Fund has a total fund balance of $543,067,427. The fund balance represents unspent bond proceeds, interest earnings, and grant receivables for roads, facilities and parks. The increase in fund balance is due to debt issuance in 2025 that will be expended in future periods. The revenue recognized is for interest earnings on bond proceeds, intergovernmental/developer agreements for shared costs projects and charges for services.

The Debt Service fund has a total fund balance of $9,772,952, all restricted for retirement of City debt. This is a decrease from the previous fiscal year of $242,230, primarily due costs associated with refunding debt issuances and one time reduction in component unit payments.

Proprietary Funds – The City of Frisco's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted Net Position of the enterprise funds at September 30, 2025 totaled $140,443,450. Other factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

For FY25, the City Council approved a final appropriation in September 2025 with the total amount of the appropriation equaling $297 million including transfers out to other City funds**.** Amendments were made to reallocate funds appropriated to more accurately account for estimated revenues and expenditures.

With the budget amendments made during the fiscal year, the actual expenditures on a budgetary basis were $295 million compared to the re-estimated (revised) budget amount of $297 million. The $2 million variance in total expenditures (excluding transfers out) is attributed to savings in the General Fund for operational dollars budgeted but not required or expended by September 30. This variance includes professional/contract service expenditures, capital outlay and salaries budgeted but not expended.

The actual (on a budgetary basis excluding transfers in) revenues were $287 million as compared to the re-estimated (revised) budget amount of $283 million excluding transfers. The $5 million variance in total revenues is attributed to increases over projections in intergovernmental revenues, franchise taxes, investment earnings, licenses and permits, fines and charges for services collections, with decreases under projections in property tax and sales tax.

CAPITAL, LEASE, AND SUBSCRIPTION ASSETS AND DEBT, LEASE, AND SUBSCRIPTION OBLIGATION ADMINISTRATION

Capital, lease, and subscription assets. At the end of the year, the City had $4.8 billion invested in a broad range of capital, lease, and subscription assets, including land, buildings, park facilities, roads, bridges, water and sewer lines, police and fire equipment, and public works operating equipment and machinery. This amount represents a net increase (including additions and deductions) of $443 million over the prior fiscal year. Total accumulated depreciation and amortization as of September 30, 2025, was $1.6 billion for net capital, lease, and subscription assets of $3.18 billion.

Capital, Lease, and Subscription Assets September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 415,329,544	$ 403,799,469	$ 12,142,253	$ 11,869,818	$ 427,471,797	$ 415,669,287
Intangible assets	92,227	92,227	—	—	92,227	92,227
Building & improvements	901,997,183	901,997,183	19,539,887	19,539,887	921,537,070	921,537,070
Machinery & equipment	151,299,578	139,254,116	18,586,783	16,257,202	169,886,361	155,511,318
Construction-in-progress	342,819,254	146,609,839	101,722,569	83,075,237	444,541,823	229,685,076
Improvements other than buildings	1,960,970,950	1,826,676,542	825,729,051	773,554,273	2,786,700,001	2,600,230,815
Right-to-use leased buildings	601,073	653,456	—	—	601,073	653,456
Right-to-use leased equipment	702,998	753,331	96,504	96,504	799,502	849,835
Right-to-use SBITAs	21,959,355	6,134,832	—	208,416	21,959,355	6,343,248
Total capital, lease, and subscription assets	3,795,772,162	3,425,970,995	977,817,047	904,601,337	4,773,589,209	4,330,572,332
Less:						
Accumulated depreciation/ amortization	(1,261,873,412)	(1,154,887,062)	(334,704,129)	(304,721,185)	(1,596,577,541)	(1,459,608,247)
Total	$ 2,533,898,750	$ 2,271,083,933	$ 643,112,918	$ 599,880,152	$ 3,177,011,668	$ 2,870,964,085

Land purchased included various right-of-ways for roads and utilities. Improvements other than buildings include park construction projects and the developer contributions for road construction

throughout the City, as well as traffic signals and lighting projects. Vehicles, machinery and some equipment were added during the year based on our equipment replacement schedule. For FY25, notable additions include approximately $159 million in roadway projects, $67 million related to facility improvements, including City Hall and Toyota Stadium, $56 million in park development projects, $12 million in vehicle purchases, and $70 million in water and sewer system improvements.

The City's 2025 Capital Project Multi-Year Budget called for a continuation of the Capital Project Plan. Funding for several major roadway projects, Toyota Stadium renovations, Grand Park, and other community parks, fire equipment, facility expansions and new construction, and utility system infrastructure were included in the 2025 Plan.

Additional information regarding capital assets can be found in Note 6 beginning on page 64.

Debt, lease, and subscription obligation administration. At year-end, the City had $1.39 billion in debt, lease, and subscription obligations outstanding as compared to $1.16 billion at the end of the prior fiscal year, an increase of 20% – as shown below.

Outstanding Debt, Lease, and Subscription Obligations September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 771,719,691	$ 706,427,046	$ 27,048,874	$ 34,760,585	$ 798,768,565	$ 741,187,631
Certificates of obligation bonds	378,868,477	281,174,240	200,170,045	137,070,609	579,038,522	418,244,849
Leases & SBITAs payable	14,120,247	4,296,969	9,728	32,809	14,129,975	4,329,778
Totals	$ 1,164,708,415	$ 991,898,255	$ 227,228,647	$ 171,864,003	$ 1,391,937,062	$ 1,163,762,258

In November 2024, The City of Frisco CDC issued Sales Tax Revenue Bonds, Series 2024 in the amount of $197,125,000. Proceeds of the sale are to be used for acquiring, installing and constructing improvements, upgrades, remodel and renovations to the City's Toyota soccer stadium consisting of the ticketing building, concessions and restrooms, seating, roof shade and canopy, and upgrade of electronic message boards, signage, sound system and other electronic equipment, and other purposes permitted by law, (ii) funding a Debt Service Reserve Fund, and (iii) pay the costs of professional services including the costs of issuance of the Bonds.

In August 2025, the City of Frisco issued General Obligation Refunding and Improvement Bonds, Series 2024 in the amount of $149,185,000 with a net premium of $9,091,219. Proceeds of the sale of the Bonds are to be used for (i) financing permanent improvements for Police and Fire, Streets, and Parks; (ii) to refund $36,245,000 of General Obligation Refunding and Improvement Bonds, Series 2015, for debt service savings and (iii) to pay the costs associated with the issuance of the Bonds. The current refunding resulted in the reacquisition price exceeding the net carrying amount of the old debt by $189,884. As a result of the transaction the City reduced total debt service payments by $3,575,337and resulted in an economic gain of $3,035,340.

In July 2025, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025 A in the amount of $70,050,000 with a net premium of $662,271. Proceeds of the sale of the Bonds are to be used for (i) constructing and/or acquiring structured parking for public use; and (ii) to pay the costs of issuance associated with the sale of the Certificates.

In July 2025, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Series 2025 B in the amount of $18,905,000 with a net premium of $1,303,679. Proceeds of the sale of the Bonds are to be used for (i) financing permanent improvements for Streets, and related improvements; and (ii) to pay the costs associated with the issuance of the Certificates.

In August 2025, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Series 2025 C in the amount of $85,270,000 with a net premium of $5,573,202. Proceeds from the sale of the Certificates will be used for (i) constructing improvements and extensions to the City's combined waterworks and sewer system and water re-use system consisting of transmission lines, pump stations and ground storage; (ii) construction of Grand Park and (iii) to pay the costs associated with the issuance of the Certificates.

Additional information regarding the City's outstanding debt can be found in Note 7 beginning on page 68.

The City is permitted by state law and provisions to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of general obligation debt to assessed value of all taxable property is 1.51%. In June 2025, the City's assigned ratings for general obligation bonds and certificates of obligation bonds were affirmed by Moody's at Aaa and by Standard & Poor's at AAA.

Authorized bonds remain unissued from the 2006, 2019, and the 2023 Election as outlined in the table below:

Authorized but Unissued Debt
September 30, 2025

	Voted Bonds	Issued Prior Years	Issued FY 2025	Unissued Balance	
Election May 13, 2006					
Branch Library (Prop. 5)	$ 8,000,000	$ —	$ —	$ 8,000,000	(1)
Senior Center (Prop. 7)	2,500,000	—	—	2,500,000	(1)
Grand Park (Prop.12)	22,500,000	22,500,000	—	—	
Remaining	33,000,000	22,500,000	—	10,500,000	
Election May 4, 2019					
Public Safety (Prop. A)	62,500,000	47,500,000	—	15,000,000	
Street Improvements (Prop. B)	155,000,000	155,000,000	—	—	
Parks, Trails and Rec Facilities (Prop. E)	53,500,000	38,200,000	—	15,300,000	
Remaining	271,000,000	240,700,000	—	30,300,000	
Election May 2, 2023					
Public Safety (Prop. A)	131,400,000	30,600,000	39,800,000	61,000,000	
Street Improvements (Prop. B)	240,000,000	69,980,000	53,330,000	116,690,000	
Parks/Administration/Logistics Operations Center (Prop. C)	39,000,000	4,000,000	28,000,000	7,000,000	
Parks, Trails and Rec Facilities (Prop. D)	43,000,000	9,000,000	—	34,000,000	
City Owned Parking Garage Downtown (Prop. E)	20,000,000	20,000,000	—	—	
Remaining	473,400,000	133,580,000	121,130,000	218,690,000	
Total Authorized/Unissued Bonds	$ 777,400,000	$ 396,780,000	$ 121,130,000	$ 259,490,000	

(1) These authorizations will not be issued

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2026 budget appropriation, tax rates, and fees that will be charged for the business-type activities.

Current economic indicators were considered when adopting the General Fund budget for FY 2026. The combined budget appropriation totaled $304.7 million. This represents an increase of $18.5 million from the FY 2025 revised budget.

The General Fund's largest revenue source is property tax receipts. Ad valorem tax revenue is determined by two major factors: the total assessed value established by the Central Appraisal District of Collin County and Central Appraisal District of Denton County, and the tax rate established by the Frisco City Council. For the new fiscal year, we saw gains in new improvements of 3.71%, and a gain on existing property of 1.55%. According to final figures received from the CADs, the total certified assessed taxable property value for FY 2026 is $51.5 billion. Council approved a tax rate of $0.425517 per $100 of valuation, the same tax rate adopted in the previous fiscal year. The homestead tax exemption for FY 2026 increased to 20%, the maximum allowed in Texas.

As for the City's business-type activities, City projections indicate that the water and sewer fund unrestricted net position will be approximately $119 million. A fee increase for water sales and sewer services was approved and effective in January 2026. Appropriations are to be used for capital projects in the utility construction projects fund, operating expenses, as well as bond interest and fiscal charges.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT STAFF

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at 6101 Frisco Square Boulevard, 4th Floor Finance Office, Frisco, Texas 75034. The Finance Department also presents the *Citizen's Annual Financial Report*, a condensed version of the financial position presented in the ACFR, online at the City's website www.friscotexas.gov.

BASIC FINANCIAL STATEMENTS

FRISCO
PROGRESS IN MOTION

City of Frisco
Statement of Net Position
September 30, 2025

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Units**
Cash and cash equivalents	$ 123,447,239	$ 80,774,435	$ 204,221,674	$ 287,747,117
Investments	127,308,552	55,129,856	182,438,408	64,919,019
Receivables (net of allowance for uncollectibles)	31,776,360	25,136,611	56,912,971	12,370,712
Leases receivables	4,540,556	—	4,540,556	23,791
PPP receivables	112,878,469	—	112,878,469	129,663
Internal balances	(2,000)	2,000	—	—
Inventories	3,697,735	2,795,334	6,493,069	—
Prepaids	5,689,808	89,186	5,778,994	182,383
Restricted assets:				
Cash and cash equivalents	453,343,521	92,470,840	545,814,361	47,645,908
Investments	221,172,064	49,566,057	270,738,121	1,800,000
Notes receivable - noncurrent	385,000	—	385,000	—
Land held for resale	—	—	—	56,513,311
Capital, lease, & subscription assets:				
Nondepreciable	758,241,025	113,864,822	872,105,847	79,695,186
Depreciable (net)	1,775,657,725	529,248,096	2,304,905,821	12,280,528
Total assets	3,618,136,054	949,077,237	4,567,213,291	563,307,618
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	25,846,635	3,267,965	29,114,600	594,176
OPEB items	991,831	125,402	1,117,233	22,801
Deferred charge on bond refunding	4,742,168	946,348	5,688,516	31,156
Total deferred outflows of resources	31,580,634	4,339,715	35,920,349	648,133
LIABILITIES				
Accounts and retainage payable	63,367,241	10,988,214	74,355,455	3,922,778
Accrued liabilities	1,796,592	636,004	2,432,596	65,585
Accrued interest payable	6,178,201	4,442,659	10,620,860	1,604,991
Customer deposits	—	4,779,845	4,779,845	25,000
Unearned revenue	2,761,533	—	2,761,533	—
Monies held in escrow	26,059,126	27,116	26,086,242	—
Noncurrent liabilities:				
Due within one year:	81,424,676	17,338,636	98,763,312	6,931,742
Due in more than one year:	1,197,662,583	222,426,756	1,420,089,339	307,753,020
Total liabilities	1,379,249,952	260,639,230	1,639,889,182	320,303,116
DEFERRED INFLOWS OF RESOURCES				
Pension items	5,973,854	755,315	6,729,169	137,330
OPEB items	2,538,028	320,900	2,858,928	58,343
Deferred gain on bond refunding	478,961	—	478,961	—
Lease related	4,446,576	—	4,446,576	23,469
PPP related	107,373,603	—	107,373,603	123,568
Total deferred inflows of resources	120,811,022	1,076,215	121,887,237	342,710
NET POSITION				
Net investment in capital assets	1,877,000,303	531,028,372	2,408,028,675	28,246,505
Restricted for:				
Capital projects	97,526,221	20,229,685	117,755,906	—
Tax increment reinvestment zones	30,705,716	—	30,705,716	—
Other purposes	17,275,482	—	17,275,482	—
Debt service	4,323,897	—	4,323,897	—
Community development	—	—	—	92,537,956
Economic development	—	—	—	122,525,464
Unrestricted	122,824,095	140,443,450	263,267,545	—
Total net position	$ 2,149,655,714	$ 691,701,507	$ 2,841,357,221	$ 243,309,925

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 137,969,533	$ 17,332,625	$ 24,502,846	$ 40,812,020
Public safety	147,997,999	14,855,355	4,911,533	9,620,771
Public works	88,535,002	135,106	190,786	88,514,644
Culture and recreation	62,300,404	7,875,803	4,962,759	27,973,061
Interest on long-term debt	36,206,209	—	—	—
Total governmental activities	473,009,147	40,198,889	34,567,924	166,920,496
Business-type activities:				
Water and sewer	173,125,622	161,870,972	—	37,523,613
Stormwater drainage	3,695,472	6,810,928	—	—
Environmental services	28,223,154	32,420,079	501	—
Total business-type activities	205,044,248	201,101,979	501	37,523,613
Total primary government	$ 678,053,395	$ 241,300,868	$ 34,568,425	$ 204,444,109
Component units:				
Community development	$ 81,410,020	$ 283,876	$ 90,000	$ —
Economic development	34,347,071	73,325	44,434	—
Charitable foundation	85,601	—	70,105	—
Total component units	$ 115,842,692	$ 357,201	$ 204,539	$ —
General revenues:				
Ad valorem taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Ad valorem tax for TIRZ funds, intergovernmental revenues				
Grants and contributions not restricted to specific programs				
Investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (55,322,042)	$ —	$ (55,322,042)	
(118,610,340)	—	(118,610,340)	
305,534	—	305,534	
(21,488,781)	—	(21,488,781)	
(36,206,209)	—	(36,206,209)	
(231,321,838)	—	(231,321,838)	
—	26,268,963	26,268,963	
—	3,115,456	3,115,456	
—	4,197,426	4,197,426	
—	33,581,845	33,581,845	
(231,321,838)	33,581,845	(197,739,993)	
			$ (81,036,144)
			(34,229,312)
			(15,496)
			(115,280,952)
219,764,171	—	219,764,171	—
71,287,695	—	71,287,695	71,287,694
15,189,336	—	15,189,336	—
16,108,977	—	16,108,977	—
29,955,133	—	29,955,133	9,067,874
3,227,067	—	3,227,067	—
40,363,924	9,651,961	50,015,885	16,676,915
—	182,750	182,750	7,917,341
2,690,604	(2,690,604)	—	—
398,586,907	7,144,107	405,731,014	104,949,824
167,265,069	40,725,952	207,991,021	(10,331,128)
1,982,390,645	650,975,555	2,633,366,200	253,641,053
$ 2,149,655,714	$ 691,701,507	$ 2,841,357,221	$ 243,309,925

City of Frisco
Balance Sheet
Governmental Funds
September 30, 2025

	General	TIRZ #1	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 82,046,381	$ 19,423,367	$ 376,545,275	$ 17,188,392	$ 81,587,345	$ 576,790,760
Investments	127,308,552	—	206,559,599	—	14,612,465	348,480,616
Receivables (net of allowance for uncollectibles):						
Property taxes	960,725	—	—	491,740	—	1,452,465
Sales taxes	11,935,958	—	—	—	—	11,935,958
Franchise taxes	7,741,814	—	—	—	57,454	7,799,268
Occupancy tax	—	—	—	—	1,355,321	1,355,321
Grants	—	—	3,139,225	—	707,792	3,847,017
Leases receivables	3,195,181	1,086,374	—	—	259,001	4,540,556
PPP receivables	—	112,878,469	—	—	—	112,878,469
Other	3,389,643	662,829	1,209,860	—	123,999	5,386,331
Due from other funds	205,298	—	7,248,204	—	20,397	7,473,899
Inventories	3,697,735	—	—	—	—	3,697,735
Prepaids	3,877,705	—	1,719,168	—	92,935	5,689,808
Notes receivable	12,000	—	373,000	—	—	385,000
Total assets	$ 244,370,992	$ 134,051,039	$ 596,794,331	$ 17,680,132	$ 98,816,709	$ 1,091,713,203
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	19,577,260	19,055	28,924,259	10,478	4,374,636	52,905,688
Retainage payable	10,345	—	10,441,208	—	10,000	10,461,553
Accrued liabilities	1,724,750	—	—	—	71,842	1,796,592
Unearned revenue	1,081,248	—	—	—	1,680,285	2,761,533
Monies held in escrow	49,716	788,393	13,988,437	—	11,232,580	26,059,126
Due to other funds	20,397	—	—	7,241,352	214,150	7,475,899
Total liabilities	22,463,716	807,448	53,353,904	7,251,830	17,583,493	101,460,391
Deferred inflows of resources:						
Unavailable revenue	7,867,575	—	373,000	655,350	—	8,895,925
Leases related	3,123,857	1,072,381	—	—	250,338	4,446,576
PPP related	—	107,373,603	—	—	—	107,373,603
Total deferred inflows of resources	10,991,432	108,445,984	373,000	655,350	250,338	120,716,104
FUND BALANCES						
Nonspendable	7,575,440	—	1,719,168	—	92,935	9,387,543
Restricted for:						
Debt service	—	—	—	9,772,952	—	9,772,952
Capital projects for future construction:						
Roads & traffic systems	—	—	194,885,373	—	32,069,431	226,954,804
Facilities	—	—	227,366,269	—	—	227,366,269
Parks	—	—	119,096,617	—	25,563,125	144,659,742
Special revenue for future commitments:						
Tax increment reinvestment zones	—	24,797,607	—	—	5,908,109	30,705,716
Hotel/motel	—	—	—	—	15,711,169	15,711,169
Traffic control enforcement	—	—	—	—	12,987	12,987
Court fees	—	—	—	—	182,057	182,057
PEG Cable	—	—	—	—	1,443,065	1,443,065
Committed to:						
Insurance	27,112,523	—	—	—	—	27,112,523
Workforce housing	293,906	—	—	—	—	293,906
Capital projects for future construction	26,003,038	—	—	—	—	26,003,038
Assigned to:						
Equipment and deferred maintenance	16,299,780	—	—	—	—	16,299,780
Infrastructure	19,175,451	—	—	—	—	19,175,451
Unassigned	114,455,706	—	—	—	—	114,455,706
Total fund balances	210,915,844	24,797,607	543,067,427	9,772,952	80,982,878	869,536,708
Total liabilities, deferred inflows of resources, and fund balances	$ 244,370,992	$ 134,051,039	$ 596,794,331	$ 17,680,132	$ 98,816,709	$ 1,091,713,203

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2025

Total fund balances per balance sheet	$ 869,536,708
Amounts reported for governmental activities in the statement of net position are different because:	
Capital, lease and subscription assets used in governmental activities are not financial resources and, therefore, are not reported at the fund level.	2,533,898,750
Deferred outflows of resources related to pensions, OPEB and deferred amounts on bond refundings are not financial resources and, therefore, are not reported at the fund level.	31,580,634
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are unavailable at the fund level.	8,895,925
Long-term liabilities, including bonds payable, leases and SBITA payable, pension liabilities, OPEB, compensated absences, and accrued interest payable are not due and payable in the current period and, therefore, are not reported at the fund level.	(1,285,265,460)
Deferred inflows of resources related to pensions, OPEB, and deferred amounts on bond refundings are not liabilities and do not require current financial resources, therefore, are not reported at the fund level.	(8,990,843)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 2,149,655,714

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025

	General	TIRZ #1	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$137,079,390	$ 11,651,719	$ —	$ 68,331,659	$ 3,038,369	$ 220,101,137
Sales	70,776,141	—	—	—	511,554	71,287,695
Franchise	14,395,064	—	—	—	168,722	14,563,786
Hotel/motel	—	—	—	—	14,139,867	14,139,867
Other	1,969,110	—	—	—	—	1,969,110
Licenses and permits	10,761,372	—	—	—	—	10,761,372
Intergovernmental	16,983,580	29,955,133	10,781,786	—	4,884,428	62,604,927
Charges for services	14,171,513	—	327,408	—	79,728	14,578,649
Fines	2,608,445	—	—	—	202,388	2,810,833
Special assessments	—	—	—	—	8,862,356	8,862,356
Rents	3,516,977	5,291,217	—	—	5,996	8,814,190
Investment earnings	10,612,365	4,427,741	19,980,074	1,395,252	3,948,492	40,363,924
Contributions, donations and grants	85,610	27,900	27,218,995	—	2,976,826	30,309,331
Payments from component units	2,892,167	4,417,018	50,826,666	2,336,935	208,066	60,680,852
Miscellaneous	1,318,272	—	354,249	—	975,782	2,648,303
Total revenues	287,170,006	55,770,728	109,489,178	72,063,846	40,002,574	564,496,332
EXPENDITURES						
Current:						
General government	79,718,413	30,642,028	—	—	539,172	110,899,613
Public safety	130,184,644	—	—	—	1,194,874	131,379,518
Public works	20,618,704	—	—	—	189,401	20,808,105
Culture and recreation	32,609,334	—	—	—	15,714,724	48,324,058
Capital outlay (includes $6,350,320 not capitalized)	26,469,108	—	280,070,156	—	1,737,260	308,276,524
Debt service:						
Principal retirement	5,526,650	—	—	59,425,000	202,885	65,154,535
Interest and fiscal charges	134,368	—	1,815,108	37,670,629	75	39,620,180
Total expenditures	295,261,221	30,642,028	281,885,264	97,095,629	19,578,391	724,462,533
Excess (Deficiency) of revenues over (under) expenditures	(8,091,215)	25,128,700	(172,396,086)	(25,031,783)	20,424,183	(159,966,201)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	—	—	223,660,000	—	—	223,660,000
Issuance of refunding debt	—	—	—	30,410,000	—	30,410,000
Premium on bonds issued	—	—	10,159,597	2,905,778	—	13,065,375
Discount on bonds issued	—	—	(878,226)	—	—	(878,226)
Payment to refunded debt escrow agent	—	—	—	(33,135,000)	—	(33,135,000)
Lease financing	253,674	—	—	—	—	253,674
SBITA financing	15,299,139	—	—	—	—	15,299,139
Proceeds from sale of assets	437,397	—	425,000	—	—	862,397
Transfers in	6,839,625	531,326	25,229,802	24,608,775	4,646,719	61,856,247
Transfers out	(1,682,786)	(18,082,118)	(9,139,662)	—	(30,261,077)	(59,165,643)
Total other financing sources and uses	21,147,049	(17,550,792)	249,456,511	24,789,553	(25,614,358)	252,227,963
Net change in fund balances	13,055,834	7,577,908	77,060,425	(242,230)	(5,190,175)	92,261,762
Fund balances, beginning	197,860,010	17,219,699	466,007,002	10,015,182	86,173,053	777,274,946
Fund balances, ending	$210,915,844	$ 24,797,607	$543,067,427	$ 9,772,952	$ 80,982,878	$ 869,536,708

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds	$ 92,261,762
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and developer's contributions exceeded depreciation in the current period.	258,395,452
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	308,974
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(174,249,234)
Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. Current year pension and OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balances and as actuarially determined in the government-wide statement of activities.	(9,451,885)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 167,265,069

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	$ 136,335,068	$ 137,200,408	$ 137,079,390	$ —	$ 137,079,390	$ (121,018)
Sales	70,302,752	71,708,807	70,776,141	—	70,776,141	(932,666)
Franchise	13,653,800	13,959,155	14,395,064	—	14,395,064	435,909
Other	1,620,000	2,198,058	1,969,110	—	1,969,110	(228,948)
Licenses and permits	8,824,530	9,773,211	10,761,372	—	10,761,372	988,161
Intergovernmental	2,883,388	13,466,605	16,983,580	—	16,983,580	3,516,975
Charges for services	12,667,992	12,719,142	14,171,513	—	14,171,513	1,452,371
Fines	2,179,623	2,197,110	2,608,445	—	2,608,445	411,335
Rents	3,679,664	3,064,586	3,516,977	—	3,516,977	452,391
Investment earnings	7,881,380	9,820,309	10,612,365	—	10,612,365	792,056
Contributions, donations and grants	94,688	94,688	85,610	—	85,610	(9,078)
Payments from component units	4,058,137	4,227,137	2,892,167	—	2,892,167	(1,334,970)
Miscellaneous	2,052,741	2,092,743	1,318,272	—	1,318,272	(774,471)
Total revenues	266,233,763	282,521,959	287,170,006	—	287,170,006	4,648,047
EXPENDITURES						
Current:						
General government	73,991,756	90,007,177	79,718,413	334,159	80,052,572	9,954,605
Public safety	131,926,182	134,274,077	130,184,644	37,686	130,222,330	4,051,747
Public works	21,123,295	23,267,101	20,618,704	960,103	21,578,807	1,688,294
Culture and recreation	33,970,703	34,301,519	32,609,334	(54,863)	32,554,471	1,747,048
Capital outlay	14,637,066	15,204,534	26,469,108	(1,640,414)	24,828,694	(9,624,160)
Debt service:						
Principal retirement	—	—	5,526,650	—	5,526,650	(5,526,650)
Interest and fiscal charges	—	—	134,368	—	134,368	(134,368)
Total expenditures	275,649,002	297,054,408	295,261,221	(363,329)	294,897,892	2,156,516
Excess (Deficiency) of revenues over (under) expenditures	(9,415,239)	(14,532,449)	(8,091,215)	363,329	(7,727,886)	6,804,563
OTHER FINANCING SOURCES (USES)						
Lease financing	—	—	253,674	—	253,674	253,674
SBITA financing	—	—	15,299,139	—	15,299,139	15,299,139
Proceeds from sale of assets	—	—	437,397	—	437,397	437,397
Transfers in	6,708,235	6,800,441	6,839,625	—	6,839,625	39,184
Transfers out	(179,022)	(1,525,000)	(1,682,786)	—	(1,682,786)	(157,786)
Total other financing sources and uses	6,529,213	5,275,441	21,147,049	—	21,147,049	15,871,608
Net change in fund balances	(2,886,026)	(9,257,008)	13,055,834	363,329	13,419,163	22,676,171
Fund balances, beginning	162,944,926	197,860,011	197,860,010	(6,942,249)	190,917,761	(6,942,250)
Fund balances, ending	$ 160,058,900	$ 188,603,003	$ 210,915,844	$ (6,578,920)	$ 204,336,924	$ 15,733,921

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis
For Fiscal Year Ended September 30, 2025

	Net Change in Fund Balance
GAAP basis	$ 13,055,834
Expenditures:	
Increase due to encumbrances from prior year	6,942,249
Decrease due to encumbrances for current year	(6,578,920)
Budgetary basis	$ 13,419,163

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

TIRZ #1 Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	12,595,757	12,595,757	11,651,719	—	11,651,719	(944,038)
Intergovernmental	32,130,833	32,130,833	29,955,133	—	29,955,133	(2,175,700)
Rents	3,970,588	3,970,588	5,291,217	—	5,291,217	1,320,629
Investment earnings	300,000	300,000	4,427,741	—	4,427,741	4,127,741
Contributions, donations and grants	—	—	27,900	—	27,900	27,900
Payments from component units	4,417,017	4,417,017	4,417,018	—	4,417,018	1
Miscellaneous	—	—	—	—	—	—
Total revenues	53,414,195	53,414,195	55,770,728	—	55,770,728	2,356,533
EXPENDITURES						
Current:						
General government	31,755,149	32,860,310	30,642,028	—	30,642,028	2,218,282
Total expenditures	31,755,149	32,860,310	30,642,028	—	30,642,028	2,218,282
Excess of revenues over expenditures	21,659,046	20,553,885	25,128,700	—	25,128,700	4,574,815
OTHER FINANCING SOURCES (USES)						
Transfers in	531,326	531,326	531,326	—	531,326	—
Transfers out	(19,082,118)	(19,082,118)	(18,082,118)	—	(18,082,118)	1,000,000
Total other financing sources and uses	(18,550,792)	(18,550,792)	(17,550,792)	—	(17,550,792)	1,000,000
Net change in fund balances	3,108,254	2,003,093	7,577,908	—	7,577,908	5,574,815
Fund balances, beginning	15,488,885	17,219,701	17,219,699	—	17,219,699	(2)
Fund balances, ending	$ 18,597,139	$ 19,222,794	$ 24,797,607	$ —	$ 24,797,607	$ 5,574,813

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Net Position
Proprietary Funds
September 30, 2025

	Business-type Activities Enterprise Funds		
	Water and Sewer	Nonmajor Enterprise Funds	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 59,934,579	$ 20,839,856	$ 80,774,435
Investments	54,628,743	501,113	55,129,856
Receivables: (net of allowances for uncollectibles)			
Utility bills	23,608,638	—	23,608,638
Grants	—	—	—
Other	1,461,650	66,323	1,527,973
Due from other funds	2,000	—	2,000
Inventories	2,795,334	—	2,795,334
Prepaids	89,186	—	89,186
Restricted cash and cash equivalents	92,470,840	—	92,470,840
Restricted investments	49,566,057	—	49,566,057
Total current assets	284,557,027	21,407,292	305,964,319
Noncurrent assets:			
Capital and lease assets:			
Land	12,142,253	—	12,142,253
Buildings and improvements	19,392,145	147,742	19,539,887
Improvements other than buildings	825,636,861	92,190	825,729,051
Machinery and equipment	15,581,969	3,004,814	18,586,783
Right-to-use leased equipment	96,504	—	96,504
Right-to-use SBITA	—	—	—
Construction-in-progress	101,722,569	—	101,722,569
Accumulated depreciation/amortization	(332,337,946)	(2,366,183)	(334,704,129)
Total capital and lease assets (net of accumulated depreciation and amortization)	642,234,355	878,563	643,112,918
Total noncurrent assets	642,234,355	878,563	643,112,918
Total assets	926,791,382	22,285,855	949,077,237
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	2,673,789	594,176	3,267,965
OPEB items	102,604	22,798	125,402
Deferred charge on bond refunding	946,348	—	946,348
Total deferred outflows of resources	3,722,741	616,974	4,339,715

The notes to the basic financial statements are an integral part of this statement.

	Business-type Activities Enterprise Funds		
	Water and Sewer	Nonmajor Enterprise Funds	Totals
LIABILITIES			
Current liabilities:			
Accounts payable	$ 9,287,089	$ 1,701,125	$ 10,988,214
Accrued liabilities	515,815	120,189	636,004
Accrued interest payable	4,442,659	—	4,442,659
Customer deposits payable	4,779,845	—	4,779,845
Monies held in escrow	—	27,116	27,116
Compensated absences	1,251,548	326,173	1,577,721
Rebates payable	1,011,187	—	1,011,187
Leases & SBITA payable	9,728	—	9,728
Bonds payable	14,740,000	—	14,740,000
Total current liabilities	36,037,871	2,174,603	38,212,474
Noncurrent liabilities:			
Compensated absences	1,579,195	397,896	1,977,091
Pensions	4,548,202	1,010,712	5,558,914
OPEB	394,809	87,734	482,543
Rebates payable	1,929,289	—	1,929,289
Leases payable	—	—	—
Bonds payable	212,478,919	—	212,478,919
Total noncurrent liabilities	220,930,414	1,496,342	222,426,756
Total liabilities	256,968,285	3,670,945	260,639,230
DEFERRED INFLOWS OF RESOURCES			
Pension items	617,985	137,330	755,315
OPEB items	262,554	58,346	320,900
Total deferred inflows of resources	880,539	195,676	1,076,215
NET POSITION			
Net investment in capital assets	530,149,809	878,563	531,028,372
Restricted for:			
Capital projects	20,229,685	—	20,229,685
Unrestricted	122,285,805	18,157,645	140,443,450
Total net position	$ 672,665,299	$ 19,036,208	$ 691,701,507

FRISCO
PROGRESS IN MOTION

City of Frisco

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2025

	Business-type Activities Enterprise Funds		
	Water and Sewer	Nonmajor Enterprise Funds	Totals
OPERATING REVENUES			
Charges for sales and services:			
Water	$ 90,282,180	$ —	$ 90,282,180
Sewer charges	65,319,194	—	65,319,194
Service charges	1,923,961	—	1,923,961
Sanitation charges	—	32,298,138	32,298,138
Water and sewer connections	1,339,880	—	1,339,880
Inspection fees	2,967,935	—	2,967,935
Stormwater drainage fees	—	6,810,928	6,810,928
Miscellaneous	37,822	121,941	159,763
Total operating revenues	161,870,972	39,231,007	201,101,979
OPERATING EXPENSES			
Cost of sales and services	97,712,170	23,157,430	120,869,600
Administration	38,790,311	8,507,822	47,298,133
Depreciation/amortization	30,455,263	253,374	30,708,637
Total operating expenses	166,957,744	31,918,626	198,876,370
Operating income (loss)	(5,086,772)	7,312,381	2,225,609
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	8,812,785	839,176	9,651,961
Contributions and grants	—	501	501
Gain on sale of equipment	175,050	7,700	182,750
Interest expense	(6,167,878)	—	(6,167,878)
Total nonoperating revenues	2,819,957	847,377	3,667,334
Income before capital contributions	(2,266,815)	8,159,758	5,892,943
CAPITAL CONTRIBUTIONS			
Grant and Intergovernmental contributions	592,584	—	592,584
Developer contributions	36,931,029	—	36,931,029
Total capital contributions	37,523,613	—	37,523,613
Income before transfers	35,256,798	8,159,758	43,416,556
TRANSFERS			
Transfers in	5,413,358	—	5,413,358
Transfers out	(5,026,208)	(3,077,754)	(8,103,962)
Total transfers	387,150	(3,077,754)	(2,690,604)
Change in net position	35,643,948	5,082,004	40,725,952
Net position, beginning	637,021,351	13,954,204	650,975,555
Net position, ending	$ 672,665,299	$ 19,036,208	$ 691,701,507

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Business-type Activities Enterprise Funds		
	Water and Sewer	Nonmajor Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 161,755,076	$ 39,125,442	$ 200,880,518
Cash payments to suppliers for goods and services	(116,092,290)	(26,491,934)	(142,584,224)
Cash payments to employees for services	(20,226,294)	(4,767,016)	(24,993,310)
Other receipts	37,822	121,941	159,763
Net cash provided by operating activities	25,474,314	7,988,433	33,462,747
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans to other funds	(2,000)	—	(2,000)
Transfers received from other funds	5,413,358	—	5,413,358
Transfers made to other funds	(5,026,208)	(1,924,296)	(6,950,504)
Contributions	—	501	501
Net cash provided (used) by noncapital financing activities	385,150	(1,923,795)	(1,538,645)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(41,431,807)	(234,250)	(41,666,057)
Proceeds from sale or transfer of equipment	175,050	7,700	182,750
Principal paid on long-term debt	(13,250,000)	—	(13,250,000)
Interest and fees paid on long-term debt	(6,798,559)	—	(6,798,559)
Bond proceeds net of issuance costs	70,673,222	—	70,673,222
Payment to paying agent for refunded debt issuance	(77,750)	—	(77,750)
Intergovernmental receipts for grant and capital construction	788,342	—	788,342
Transfers made to other funds for capital construction	—	(1,153,459)	(1,153,459)
Developers contributions	7,230,632	—	7,230,632
Net cash provided (used) by capital and related financing activities	17,309,130	(1,380,009)	15,929,121
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(106,213,910)	(499,877)	(106,713,787)
Proceeds from sale and maturities of investment securities	96,002,964	482,961	96,485,925
Interest on investments	9,152,005	835,118	9,987,123
Net cash provided (used) by investing activities	(1,058,941)	818,202	(240,739)
Net increase in cash and cash equivalents	42,109,653	5,502,831	47,612,484
Cash and cash equivalents, beginning	110,295,766	15,337,025	125,632,791
Cash and cash equivalents, ending	$ 152,405,419	$ 20,839,856	$ 173,245,275
CLASSIFIED AS			
Current assets	$ 59,934,579	$ 20,839,856	$ 80,774,435
Restricted assets	92,470,840	—	92,470,840
Total cash and cash equivalents	$ 152,405,419	$ 20,839,856	$ 173,245,275

The notes to the basic financial statements are an integral part of this statement.

	Business-type Activities Enterprise Funds		
	Water and Sewer	Nonmajor Enterprise Funds	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	$ (5,086,772)	$ 7,312,381	$ 2,225,609
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation/amortization	30,455,263	253,374	30,708,637
Change in assets and liabilities:			
(Increase) decrease in-			
Receivables - utility bills	147,284	16,376	163,660
Receivables - other	(499,171)	74,088	(425,083)
Prepaid expenses and other assets	(8,908)	—	(8,908)
Inventories	(635,712)	—	(635,712)
Arbitrage rebate expense	1,071,546	—	1,071,546
Pension deferred outflow of resources	196,516	43,668	240,184
OPEB deferred outflow of resources	25,525	5,672	31,197
Increase (decrease) in-			
Accounts payable	(219,455)	210,705	(8,750)
Accrued liabilities	89,066	22,624	111,690
Liability for compensated absences	311,464	82,205	393,669
Pension deferred inflow of resources	477,816	106,182	583,998
OPEB deferred inflow of resources	(61,677)	(13,706)	(75,383)
Net pension liability	(583,586)	(129,686)	(713,272)
OPEB liability	20,473	4,550	25,023
Deposits and escrows	(225,358)	—	(225,358)
Total adjustments	30,561,086	676,052	31,237,138
Net cash provided by operating activities	$ 25,474,314	$ 7,988,433	$ 33,462,747

SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

During the year, various developers made noncash contributions of water and sewer infrastructure to the City valued at $29,700,397.

During the year, the City received a noncash capital contribution of $194,022 from the Community Development Corporation related to a water and sewer asset transferred to the City.

Accounts Payable and Retainage Payable related to capital assets totaled $6,698,336.

In August 2025, general obligation bonds were issued for the water and sewer fund to refund debt issued in 2015. The new debt of $3,020,000 defeased $3,110,000 of outstanding principal.

Unrealized investment losses as of September 30, 2025 were $124,761.

The notes to the basic financial statements are an integral part of this statement.

FRISCO
PROGRESS IN MOTION

City of Frisco
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2025

	Tourism PID Custodial Fund
ASSETS	
Cash and cash equivalents	$ 288,628
Total assets	288,628
LIABILITIES	
TPID payable	288,628
Total liabilities	288,628
NET POSITION	
Net position restricted for custodial funds	—
Total net position	$ —

City of Frisco
Statement of Revenues, Expenses, and Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2025

	Tourism PID Custodial Fund
ADDITIONS	
Tourism PID occupancy tax collections	$ 3,897,238
Total additions	3,897,238
DEDUCTIONS	
Tourism PID occupancy tax remittances	3,897,238
Total deductions	3,897,238
Change in net position	—
Net position, beginning	—
Net position, ending	$ —

The notes to the basic financial statements are an integral part of this statement.

FRISCO
PROGRESS IN MOTION

City of Frisco
Combining Statement of Net Position
Component Units
September 30, 2025

	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Totals
ASSETS				
Current:				
Cash and cash equivalents	$ 239,443,814	$ 48,241,547	$ 61,756	$ 287,747,117
Investments	29,940,208	34,978,811	—	64,919,019
Receivables:				
Sales tax	5,967,979	5,967,979	—	11,935,958
Leases receivables	15,817	7,974	—	23,791
PPP receivables	129,663	—	—	129,663
Other	198,453	236,301	—	434,754
Prepaid expenses	—	182,383	—	182,383
Noncurrent:				
Land held for resale	20,461,590	36,051,721	—	56,513,311
Capital and lease assets:				
Nondepreciable	62,931,135	16,764,051	—	79,695,186
Depreciable (net)	1,993,402	10,287,126	—	12,280,528
Restricted assets:				
Cash and cash equivalents	45,040,087	2,605,821	—	47,645,908
Investments	—	1,800,000	—	1,800,000
Total assets	406,122,148	157,123,714	61,756	563,307,618
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	—	594,176	—	594,176
OPEB items	—	22,801	—	22,801
Deferred charge on bond refunding	16,026	15,130	—	31,156
Total deferred outflows of resources	16,026	632,107	—	648,133
LIABILITIES				
Accounts payable	1,983,758	1,937,080	1,940	3,922,778
Accrued liabilities	2,967	62,618	—	65,585
Accrued interest payable	1,490,933	114,058	—	1,604,991
Deposits payable	—	25,000	—	25,000
Noncurrent liabilities:				
Due within one year:	3,455,665	3,476,077	—	6,931,742
Due in more than one year	278,490,490	29,262,530	—	307,753,020
Total liabilities	285,423,813	34,877,363	1,940	320,303,116
DEFERRED INFLOWS OF RESOURCES				
Pension items	—	137,330	—	137,330
OPEB items	—	58,343	—	58,343
Lease related	15,470	7,999	—	23,469
PPP related	123,568	—	—	123,568
Total deferred inflows of resources	139,038	203,672	—	342,710
NET POSITION				
Net investment in capital assets	28,097,183	149,322	—	28,246,505
Restricted for community development	92,478,140	—	59,816	92,537,956
Restricted for economic development	—	122,525,464	—	122,525,464
Total net position	$ 120,575,323	$ 122,674,786	$ 59,816	$ 243,309,925

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Combining Statement of Activities
Component Units
For the Year Ended September 30, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Component units:				
Community Development Corporation	$ 81,410,020	$ 283,876	$ 90,000	$ —
Economic Development Corporation	34,347,071	73,325	44,434	—
Charitable Foundation	85,601	—	70,105	—
Total component units	115,842,692	357,201	204,539	—
General revenues:				
Sales taxes				
Intergovernmental				
Gain on sale of capital assets				
Investment income				
Total general revenues				
Change in net position				
Net position, beginning				
Net position, ending				

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Component Units			
Community Development Corporation	Economic Development Corporation	Charitable Foundation	Totals
$ (81,036,144)	$ —	$ —	$ (81,036,144)
—	(34,229,312)	—	(34,229,312)
—	—	(15,496)	(15,496)
(81,036,144)	(34,229,312)	(15,496)	(115,280,952)
35,643,847	35,643,847	—	71,287,694
7,559,425	1,483,449	25,000	9,067,874
7,917,341	—	—	7,917,341
12,617,923	4,055,978	3,014	16,676,915
63,738,536	41,183,274	28,014	104,949,824
(17,297,608)	6,953,962	12,518	(10,331,128)
137,872,931	115,720,824	47,298	253,641,053
$ 120,575,323	$ 122,674,786	$ 59,816	$ 243,309,925

Note 1. Summary of Significant Accounting Policies

The City of Frisco, Texas (City) was originally incorporated in 1908 and chartered on April 4, 1987, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its residents.

The financial statements of the City have been prepared to conform with accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GASB Statement No. 34, which requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net position and statement of activities. Significantly, the City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. The government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements. Governmental fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. The proprietary and fiduciary fund types financial statements are prepared using the accrual basis of accounting. Statement No. 34 requires supplementary information in Management's Discussion and Analysis, which includes an analytical overview of the City's financial activities. Also, a budgetary comparison statement is presented that compares the adopted and revised budgets for the General Fund and its major special revenue fund (TIRZ #1) with actual results.

B. Reporting Entity

The City is governed by an elected mayor and a six-member council. As required by GAAP, these financial statements present the City (the primary government) and the entities for which the City is considered to be financially accountable (component units). Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the basic financial statements in order to emphasize that they are legally separate from the City.

The City established Tax Increment Reinvestment Zone #1 (TIRZ #1) for the purpose of dedicating the incremental tax revenue generated from the zone to finance public facilities and infrastructure development such as public roads, signalization, hike/bike trails, water and sewer system improvements, and community enhancements in and around the revenue generating portion of TIRZ #1. TIRZ #1 is 3,572 acres and includes major development areas such as Stonebriar Mall, The Star's multi-use event center, and the PGA Frisco golf courses. The City and City's management maintain

significant influence and management responsibility in the approval of programs, expenditures, and obligations of TIRZ #1. The TIRZ board of directors is a 9 member board; 7 members of the board of directors are members of the City Council with the remaining appointed by the remaining participating entities of TIRZ #1, Frisco Independent School District, and Collin County Community College District. TIRZ #1 does not issue separate financial statements, as it is included as a major fund of the City. TIRZ #1 is presented as a blended component unit.

Reinvestment Zone #5 (TIRZ #5) was established for the purpose of dedicating the incremental tax revenue generated from the zone for use on public facilities and infrastructure development completed within the zone. TIRZ #5 is 66 acres and consists of The Star's retail/commercial development. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of TIRZ #5. TIRZ #5's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a non-major fund of the City. TIRZ #5 is presented as a blended component unit.

Reinvestment Zone #6 (TIRZ #6) was established for the purpose of dedicating the incremental tax revenue generated from the zone for use on public facilities and infrastructure development completed within the zone. TIRZ #6 is 175 acres and consists of area commonly known as Hall Park. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of TIRZ #6. TIRZ #6's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a non-major fund of the City. TIRZ #6 is presented as a blended component unit.

Reinvestment Zone #7 (TIRZ #7) was established for the purpose of dedicating the incremental tax revenue generated from the zone for use on public facilities and infrastructure development completed within the zone. TIRZ #7 is 890 acres and consists of area commonly known as The Fields development. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of TIRZ #7. TIRZ #7's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a non-major fund of the City. TIRZ #7 is presented as a blended component unit.

Panther Creek Public Improvement District #1 was established by the City for the purpose of enhancing the amenities and expediting the timing of their installation for the Panther Creek neighborhood. Enhanced landscape, additional open space, lakes, fountains, improved city parks, shade structures, distinctive entries and various recreational and pedestrian improvements were financed through City bonds and lots within the district were assessed $2,497 per lot to be repaid by the homeowners. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of PID #1. PID #1's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a non-major fund of the City and reported in the same Special Revenue Fund as PID #2. PID #1 is presented as a blended component unit.

Panther Creek Public Improvement District #2 was established by the City for the purpose of enhancing the amenities and expediting the timing of their installation for the Panther Creek neighborhood. Enhanced landscape, additional open space, lakes, fountains, improved city parks, shade structures, distinctive entries and various recreational and pedestrian improvements were financed through City bonds and lots within the district were assessed $3,014 per lot to be repaid by the homeowners. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of PID #2. PID #2's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a

non-major fund of the City and reported in the same Special Revenue Fund as PID #1. PID #2 is presented as a blended component unit.

The Frisco Economic Development Corporation (FEDC) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The FEDC provides marketing and economic development services to the City, and the City provides for custody and investment of FEDC assets, various administrative/personnel/legal services, and the majority of funding for the FEDC budget. The FEDC is presented as a discretely presented component unit.

The Frisco Community Development Corporation (FCDC) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The primary government can impose its will with the potential for financial benefit to the FCDC. The FCDC benefits the City and its citizens by developing resources to address recreational, cultural arts, senior citizen, and other related community development needs and the City provides for custody and investment of FCDC assets, various administrative services, and the majority of funding for the FCDC budget. The FCDC is presented as a discretely presented component unit.

The City of Frisco Charitable Foundation (CFCF) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The primary government can impose its will and the potential for financial benefit to the CFCF. The CFCF benefits the City and its citizens by developing resources to address recreational, cultural arts, senior citizen, and other related community development needs. The Foundation was established during fiscal year 2006 and is presented as a discretely presented component unit.

The FEDC, FCDC, and CFCF do not prepare separate financial statements. The financial statements of the City are formatted to allow the user to clearly distinguish between the primary government and its discretely presented component units.

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government and its component units. For the most part, the effect of any interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a functional category (General Government, Public Safety, Public Works, and Culture/Recreation) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function) is normally covered by general revenue (property taxes, sales taxes, franchise taxes, intergovernmental revenues, and interest income).

Separate fund-based financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of applicable fund category and for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the applicable fund financial statements.

The City's fiduciary funds are presented only in the fund financial statements. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, developer projects, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of custodial funds related to the Tourism Public Improvement District.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements, the proprietary fund statements, and the fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues, other than taxes, are considered to be available when they are collectible within one year of the current period. Taxes are generally considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pension, other postemployment benefits, compensated absences, lease liabilities and claims and judgments are recorded only when the obligation has matured and is due and payable shortly after year end.

GASB Interpretation 6 clarifies the application of modified accrual recognition of certain liabilities and expenditures in the governmental fund financial statements. Specifically, GASB Interpretation 6 indicates that liabilities for debt, compensated absences, lease liabilities, claims and judgments, and special termination benefits are normally expected to be liquidated with expendable available financial resources and should be recognized as governmental fund liabilities and expenditures only to the extent that they mature each period.

Ad valorem, franchise, sales tax revenues and fines and forfeitures recorded in the General Fund, ad valorem tax revenues recorded in the Debt Service Fund and Tax Increment Reinvestment Zone #1, rents in the TIRZ #1 fund, and charges for services in the Capital Projects fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable and available until cash is received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met and amounts are received within one year of year end. Funds received in advance for which all eligibility requirements have not been met are considered unearned revenue. Receivables for which amounts are not considered available are considered deferred inflows of resources.

Proprietary fund statements of revenues, expenses, and changes in fund net position present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer, Environmental Services and Stormwater funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City of Frisco does not utilize internal service funds, which traditionally provide services primarily to other funds of the government.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

The following are the funds used by the City:

1. Governmental Funds:
   The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of fund balances and changes in fund balances (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the City:
   a. General Fund accounts for several of the City's primary services (Public Safety, Public Works, Culture & Recreation, General Government) and is the primary operating fund unit of the City.
   b. Tax Increment Reinvestment Zone #1 Fund accounts for revenue sources that are legally held for special purposes within the zone. The revenue sources consist of property tax collections within the zone and lease payments for facilities.
   c. Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.
   d. Debt Service Fund accounts for the accumulation of resources and payment of general obligation and certificate of obligation bond principal and interest from governmental resources.
   e. Other Governmental Funds is a summarization of the nonmajor governmental funds.

2. Proprietary Funds:
   The focus of Proprietary Fund measurement is upon determination of operating income, changes in net position, and cash flows, which is similar to private-sector businesses. The following is a description of the Proprietary Funds of the City:
   a. Water and Sewer Fund accounts for the operation of the City's water and sewer utility. Activities of the Fund include administration, operation and maintenance of the water and sewer system, and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for contractual obligation bonds when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the Fund.
   b. Other Proprietary Funds is a summarization of the nonmajor proprietary funds including the stormwater drainage program and the environmental services fund.

3. Other Fund Types
   a. Fiduciary funds are used to account for the accumulation of resources to be used for the Tourism Public Improvement District

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. Cash in all funds, excluding the City's payroll account, lockbox operations, police seizure accounts and Charitable Foundation account, is combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Investments in TexPool and TexStar are considered cash equivalents as the amounts are available on demand. Investments, other than investments in pools as previously referenced, are recorded at fair value based upon verifiable market prices.

The following table summarizes the restricted cash and investments:

Governmental Activities	Amount
Tax Increment Reinvestment Zones	$ 27,331,476
Capital Projects	542,912,229
Debt Service Fund	17,188,392
Hotel/Motel Fund	15,754,275
Panther Creek PID	45,634
Traffic control enforcement	12,987
Court Fees	186,313
PEG Cable Fund	1,392,291
Road Impact Fees	44,136,018
Park Development Fees	25,555,970
Total	674,515,585

Business-Type Activities	Amount
Utility Capital Projects	118,156,290
Utility Impact Fees	23,880,607
Total	142,036,897

Total Primary Government Restricted Cash and Investments	$ 816,552,482

Component Units	Amount
Pollution Remediation	$ 29,208,625
Capital Projects	20,237,283
Total	$ 49,445,908

F. Inventories and Prepaid Items

Inventories of supplies are maintained at the City. These inventories are valued at cost using the first in/first out (FIFO) inventory method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased. Inventories and prepaid items are recognized as nonspendable in the governmental funds in the fund level financial statements to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the changes in fund balance/net position of both governmental and proprietary funds.

H. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use lease and subscription assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in proprietary fund financial statements.

All purchased capital assets are valued at cost where historical records are available or at an estimated cost where no historical records exist. In the case of the initial capitalization of infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical costs of these assets through back trending (i.e., estimating the current replacement costs of the infrastructure to be capitalized and using an appropriate price-level index to deflate the costs to the acquisition year or estimated acquisition year). Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The City considers the asset as received when all requirements have been met by the developer including providing the City with affidavits of value. Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been recorded at estimated historical cost. The City defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life greater than one year. Outlays for capital assets and improvements are capitalized as the projects are constructed. Lease and subscription assets are measured at the total minimum fixed payments throughout the term of the agreement discounted to net present value.

Capital assets of the primary government, as well as the component units, are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings	20-25 years
Right-to-use leased buildings	2-5 years
Improvements other than buildings	15-30 years
Vehicles	3-15 years
Machinery & equipment	3-20 years
Right-to-use leased equipment	1-5 years
Subscription-based IT arrangement (SBITA)	1-5 years

The costs of normal maintenance and repairs that do not materially add to the value of the asset or significantly extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

I. Compensated Absences

Paid-time off (PTO) benefits are accrued as liabilities as employees earn the benefits to the extent that they meet the following criteria: 1) the City's obligation is attributable to employees' services already rendered; 2) the leave accumulates; and 3) it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments. The compensated absences liabilities presented in Note 7 is the net change of the liability. The City utilizes a last-in-first-out (LIFO) flow assumption when calculating the liability, which means that the most recent leave earned is utilized first.

For governmental funds, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. For the government-wide financial statements, as well as the enterprise fund financial statements, all of the outstanding compensated absences are recorded as a liability.

J. Federal and State Grants

Grants and shared revenues are generally accounted for within the Grants Fund or Community Development Block Grants Fund if funding is for a governmental fund type. Federal grants include several police, fire and transportation related grants which are accounted for within the Grants Fund. Community Development Block Grants are accounted for within that fund. Various state grants are also included in the Grants Fund. Proprietary fund grants are accounted for within the applicable fund.

K. Long-term Debt

General Obligation Bonds and Certificate of Obligation Bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method in the proprietary fund and the government-wide financial statements. Bond issuance costs are expensed. Bonds payable are reported net of the applicable bond premium or discount. In the governmental fund financial statements, issuance costs, as well as bond premiums and discounts, are recognized when incurred.

Certificate of Obligation Bonds have been issued to fund capital projects of the Proprietary Funds. Such bonds are to be repaid from the net revenues of the applicable Proprietary Fund. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed.

L. Deferred Inflows and Deferred Outflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period. Deferred inflows have a negative effect on net position, similar to liabilities. The City of Frisco reports deferred inflows of resources as the offset account to assets earned, but not yet available. Deferred outflows of resources represents a consumption of net assets that applies to future periods. Deferred outflows of resources increase net position, similar to assets. For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt that results in a refunding loss, is reported as a deferred outflow of resources. The deferred outflows of resources are recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. For pensions and OPEB, pension items are recognized in accordance with GASB 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* (GASB 68) and OPEB items are recognized in accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). For deferred amounts related to leases and public-private partnerships, items are recognized in accordance with GASB 87, *Leases* and GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

M. Retirement Plans

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB 68.

N. OPEB

For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its total OPEB liability in the TMRS Supplemental Death Benefits Fund (SDBF) and Retiree health insurance and additions to/deductions from the City's total OPEB liability have been determined on the same basis as they are reported by TMRS and Lockton Companies. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Information regarding the City's SDBF Total OPEB Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company. Information regarding the City's Retiree Health Insurance Total OPEB Liability is obtained through a report prepared for the City by Lockton Companies consulting actuaries. Both reports are prepared in compliance with GASB 75.

O. Fund Equity

In order to comply with the GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the balance sheets of the governmental funds include the following items:

- Nonspendable fund balance include the:
  - Portion of net resources that cannot be spent because of their form.
  - Portion of net resources that cannot be spent because they must be maintained intact.
- Restricted fund balance (externally enforceable limitations on use) include amounts subject to:
  - Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
  - Limitations imposed by law through constitutional provision or enabling legislation.
- Committed fund balance (self-imposed limitations set in place prior to the end of the period):
  - Limitation imposed at the highest level of decision making (an approved resolution) that requires formal action at the same level to remove. For the City, the City Council is the highest level of decision making and approves any commitments by resolution of the Council, which is considered the most binding constraint for fund balance classification purposes.
- Assigned fund balance consists of amounts where the:
  - Intended use is established by the body designated for that purpose (City Council),
  - Intended use is established by official designated for that purpose. The City Manager, Deputy City Manager and Chief Financial Officer are the designated officials set by ordinance.

- Unassigned fund balance is the total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets, (2) restricted and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

For the classification of governmental fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available. For example, when an expenditure is incurred, the flow assumption in determining the applicable order of using fund balance resources available is first by Committed (such as for encumbrances), then by Assigned (for the established, official intended uses), and finally by Unassigned fund balance. Net position restricted for impact fee collections in the Water and Sewer fund is a reserve required by the fee ordinance.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as required.

R. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting—under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation—is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as an adjustment-budgetary basis on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual. The commitments will be honored during the subsequent year.

S. Leases

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes lease receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

T. Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements

PPP is an arrangement in which the City (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (PPP asset), for a period of time in an exchange or exchange-like transaction.

As transferor, the City recognizes a PPP receivable. The PPP receivable is measured using the net present value of future PPP payments to be received for the PPP term and deferred inflows of resources at the beginning of the PPP term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the arrangement. This recognition does not apply to short-term arrangements, contracts that transfer ownership, lease of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of PPP receivables occur when there are modifications, including but not limited to changes in the contract price, PPP term, and adding or removing an underlying asset to the PPP arrangements. In the case of a partial or full PPP termination, the carrying value of the PPP receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

U. Subscription-Based Information Technology Arrangements (SBITA)

GASB Statement No. 96, *Subscription-Based Technology Arrangements,* provides guidance on the accounting and financial reporting of contractual arrangements. It required the recognition of certain right-to-use subscription assets and corresponding liabilities.

The City has contracts with SBITA vendors for the right-to-use information technology software, alone or in combination with tangible capital assets. The City recognizes subscription liabilities, reported with long-term debt, and right-to-use subscription assets, reported with the other capital assets, in the government-wide and proprietary funds financial statements.

The City initially measures subscription liabilities at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liabilities are reduced by the principal portion of SBITA payments made. The right-to-use subscription assets are initially measured as the initial amount of the subscription liabilities, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term and (3) subscription payments.

1. The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
2. The subscription term includes the noncancellable period of the SBITA.
3. Subscription payments included in the measurement of the subscription liabilities are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

V. New Accounting Pronouncements

In the current year the City implemented the following GASB pronouncements:

GASB Statement No. 101, *Compensated Absences*, is effective for the City's fiscal year ending September 30, 2025. The primary objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Adoption of GASB 101 had no effect on beginning net position/fund balance.

GASB Statement No. 102, *Certain Risk Disclosures*, is effective for the City's fiscal year ending September 30, 2025. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Adoption of GASB 102 had no effect on beginning net position/fund balance.

The GASB has issued the following statements which will be effective in future years as described below. The impact on the City's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for the City's fiscal year ending September 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance it's effectiveness in providing information that is essential to decision making and assessing a government's accountability. The statement focuses on improvements to Management's Discussion and Analysis, proprietary fund statement of revenues, expenses and changes in net position, major component units, and other areas. Management has not yet determined the impact of this pronouncement on its financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for the City's fiscal year ending September 30, 2026. This statement requires state and local governments to provide detailed information about certain types of assets including lease assets, right-to-use assets, subscription assets, and assets held for sale. Management has not yet determined the impact of this pronouncement on its financial statements.

GASB Statement No. 105, *Subsequent Events,* is effective for the City's fiscal year ending September 30, 2027. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. Management has not yet determined the impact of this pronouncement on its financial statements.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains the "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $1,285,265,460 difference are as follows:

Bonds and certificates of obligation payable	$1,109,030,000
Bond discount (to be amortized as interest expense)	(1,979,668)
Bond premiums (to be amortized over the life of the bonds)	43,537,836
Accrued interest payable	6,178,201
Leases & SBITA payable	14,120,247
Rebates payable	12,942,415
Developer payable	21,749,047
Compensated absences	31,904,951
Net pension liability	43,965,957
Total OPEB liability	3,816,474
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	$1,285,265,460

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the $258,395,452 difference are as follows:

Capital outlay	$ 301,926,204
Developers' contributions	63,593,432
Developer payable (refund)	(4,419,365)
Component unit capital contribution	9,368,813
Book value of capital assets disposed/retired	(276,854)
Depreciation and lease amortization expense	(111,796,778)
Net adjustment to increase net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities	$ 258,395,452

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $174,249,234 difference are as follows:

Debt issued or incurred:		
Premium amortization	$	10,828,820
Discount amortization		(118,553)
Amortization on loss of refunding of debt		(1,439,074)
Lease and SBITA financing		(15,552,813)
Bonds issued		(254,070,000)
Bond premium issued		(13,065,375)
Bond discount issued		878,226
Principal repayments:		
Payment to refunding agent		33,135,000
Bonds, leases, & SBITAs		65,154,535
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$	(174,249,234)

Another element of that reconciliation states, "Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. Current year pension and OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balances and as actuarially determined in the government-wide statement of activities." The details of this $9,451,885 difference are as follows:

Increase in accrued interest on bonds	$ (1,157,991)
Increase in rebates payable	(4,699,229)
Increase in compensated absences	(2,869,022)
Increase in pension expense	(877,204)
Decrease in OPEB expense	151,561
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ (9,451,885)

Note 3. Legal Compliance – Budgets

Budgetary Information

Annual appropriated budgets are legally adopted for the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue Funds. The legal level of authority is at the fund level. The annual budget is adopted using the budgetary basis of accounting. The budgetary basis of accounting differs from accounting principles generally accepted in the United States in that encumbrances are recorded as expenditures in the period encumbered and not when incurred. All annual appropriations lapse at fiscal year-end. Project length financial plans are adopted for certain Capital Projects Funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through the passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Formal budgetary review is employed as a management control device during the year for the General Fund, Debt Service Fund, and Capital Projects Funds. Supplemental appropriations were made during the fiscal year, during the revised budget process.
6. The budget approved for the discretely presented component units follow similar approval procedures.
7. The budget approved for the Water & Sewer Fund follows similar approval procedures but departs from generally accepted accounting principles by not including depreciation or compensated absence expenses in the approved budget.

Note 4. Deposits and Investments

Deposits – State statutes require that all deposits in financial institutions be fully collateralized by U.S. government obligations or obligations of Texas and its agencies that have a fair value of not less than the principal amount of the deposits. The City's deposits were insured up to $250,000 or collateralized as required by State statutes at September 30, 2025. At year-end, the carrying amount of the City's demand deposits was a balance of $12,334,227, bank balance, $13,793,880. The carrying amount of the component unit's pooled cash was $(9,375,454), bank balance, $628. The cash on hand carrying amount totaled $23,122. The bank balance for the primary government and the component unit's deposits was covered by collateral with a fair value of $25,274,882. The collateral is held in the City's name by the Bank of New York Mellon and JP Morgan National Collateral Management Group, agents of the City's financial institutions.

Investments – State statutes, city policies, and city resolutions authorize the City's investments. The Chief Financial Officer, Director of Budget and Strategic Planning, and Budget Manager are authorized by the City Council to invest all available funds consistent with the investment policy. The City is authorized to invest in United States obligations or its agencies and instrumentalities, direct obligations of the State of Texas or its agencies and instrumentalities, other obligations backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, obligations of states, agencies, counties, cities, and other political subdivisions of any State having an investment rating of not less than "A" or its equivalent, fully collateralized repurchase agreements, certificates of deposit issued by a depository institution that has its main office or branch office in the State of Texas, money market mutual funds regulated by the Securities and Exchange Commission with a dollar weighted average portfolio maturity of 90 days or less, and local government investment pools organized and operating in compliance with the Inter-local Cooperation Act.

As of September 30, 2025, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity Days
Primary Government		
General Fund		
Federal Agency Notes	$ 127,308,553	202
TexPool	46,011,528	44
TexStar	29,106,906	50
CIP Funds		
Federal Agency Notes	246,125,691	172
TexPool	17,484,932	44
TexStar	437,453,822	50
Other Funds		
Federal Agency Notes	79,742,286	168
TexPool	195,186,494	44
TexStar	12,458,125	50
Total Primary Government	1,190,878,337	98
Component Units		
Community Development		
Federal Agency Notes	29,940,208	205
TexPool	105,195,975	44
TexStar	179,576,205	50
Economic Development		
Federal Agency Notes	36,778,811	168
TexPool	56,460,435	44
TexStar	3,451,791	50
Charitable Foundation		
TexPool	84,073	44
Total Component Units	411,487,498	69
Total Government	$ 1,602,365,835	91

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs-other than quoted prices included within Level 1-that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. Investment balances of such investments are as follows:

		Fair Value Measurements Using		
Primary Government	September 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents:				
Bank deposits	$ 12,334,227	$ —	$ —	$ —
Total cash and cash equivalents	12,334,227	—	—	—
Investments measured at amortized costs:				
Investment pools:				
TexPool	258,682,954	—	—	—
Investments measured at net asset value (NAV), fair value:				
Investment pools:				
TexStar	479,018,853	—	—	—
Investments by fair value level:				
U.S. government agency securities:				
Federal Farm Credit Bank	63,508,812	—	63,508,812	—
Federal Home Loan Mortgage Company	9,964,580	—	9,964,580	—
US Treasury Notes	379,703,138	—	379,703,138	—
Total investments	1,190,878,337	—	453,176,530	—
Total cash and investments	$1,203,212,564	$ —	$453,176,530	$ —

The chart above excludes the fiduciary cash balance of $288,628 held in the Tourism PID custodial fund.

The component unit investment balances of such investments are as follows:

Component Units	September 30, 2025	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents:				
Bank deposits	$ (9,375,454)	$ —	$ —	$ —
Total cash and cash equivalents	(9,375,454)	—	—	—
Investments measured at amortized costs:				
Investment pools:				
TexPool	161,740,483	—	—	—
Investments measured at net asset value (NAV), fair value:				
Investment pools:				
TexStar	183,027,996	—	—	—
Investments by fair value level:				
U.S. government agency securities:				
Federal Farm Credit Bank	9,003,952	—	9,003,952	—
US Treasury Notes	57,715,067	—	57,715,067	—
Total investments	411,487,498	—	66,719,019	—
Total cash and investments	$ 402,112,044	$ —	$ 66,719,019	$ —

Investment Pools are measured at amortized cost or net asset value (NAV) and are exempt from fair value reporting.

U.S. Government Agency Securities and U.S. Treasury Bonds and Notes classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The TexPool investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool The investment pool transacts at a net asset value of $1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonable foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The TexStar investment pool is an external investment pool measured at NAV. The strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the pools. TexStar has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

TexPool is not registered with the Securities and Exchange Commission. The Texas Local Government Investment Pools (the "TexPool Portfolios") have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts maintains oversight.

TexStar is not registered with the Securities and Exchange Commission. TexStar operates in compliance with Public Funds Investment Act of the Texas Government Code. The oversight body for TexStar is the TexStar Governing Board.

Interest Rate Risk – In order to minimize risk of loss due to interest rate fluctuations, the City's Investment Policy states investment maturities will not exceed the anticipated cash flow requirement of the funds as follows:

- Operating Funds – The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity dates of each security and the maximum allowable maturity shall be two years.
- Bond Proceeds – The maximum maturity for all bond proceeds shall be three years.
- Bond Reserve Funds – Maturity limitation shall generally not exceed the call provision of the Bond Ordinance and shall not exceed the final maturity of the bond issue.
- Other Funds – Maximum maturity shall not exceed five years and each fund's weighted average life shall not exceed three years.

Credit Risk – In compliance with the City's Investment Policy, and in conjunction with state law, as of September 30, 2025, the City minimized credit risk losses by limiting investment to the safest types of securities, pre-qualifying investments through our asset management company, and diversifying the investment portfolio so that potential losses on individual securities were minimized. The City also invested in certificates of deposits at local banks as applicable. The City's investments in U.S. Agency securities (FHLB, FFCB and FNMA) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Services. The City's investments in local government investment pools (TexPool and TexStar) are in compliance with the Public Funds Investment Act and rated AAAm by Standard & Poor's. More than five percent of the City's and Component Unit's investments, excluding investment pools, are in U.S. Treasury Notes, Federal Farm Credit Bank (FFCB) and Federal Home Loan Mortgage Company. These investments are 84.14%, 13.95% and 1.92% respectively, of the total investments.

Concentration of Credit Risk – The City's formal investment policy does not address limitations to one particular issuer.

Note 5. Receivables

Receivables at September 30, 2025, for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are all considered to be collectible within one year and consist of the following:

Receivables
September 30, 2025

Governmental Activities	General	TIRZ #1	Capital Projects	Debt Service	Nonmajor Funds	Total
Property tax	$ 1,008,687	$ —	$ —	$ 516,247	$ —	$ 1,524,934
Sales tax	11,935,958	—	—	—	—	11,935,958
Franchise tax	7,741,814	—	—	—	57,454	7,799,268
Occupancy tax	—	—	—	—	1,355,321	1,355,321
Mixed beverage	162,077	—	—	—	—	162,077
Leases	3,195,181	1,086,374	—	—	259,001	4,540,556
PPP's	—	112,878,469	—	—	—	112,878,469
Accrued interest	876,259	132,783	1,160,569	—	117,614	2,287,225
Grants	—	—	3,139,225	—	707,792	3,847,017
Other	4,056,905	530,046	49,291	—	6,385	4,642,627
Gross receivables	28,976,881	114,627,672	4,349,085	516,247	2,503,567	150,973,452
Less: allowance	(1,753,560)	—	—	(24,507)	—	(1,778,067)
Net receivables	$ 27,223,321	$114,627,672	$ 4,349,085	$ 491,740	$ 2,503,567	$149,195,385

Business-type Activities	Water and Sewer	Nonmajor Funds	Total
Utility bills	$ 26,938,157	$ —	$ 26,938,157
Accrued interest	677,239	6,086	683,325
Grants	—	—	—
Other	784,411	60,237	844,648
Gross receivables	28,399,807	66,323	28,466,130
Less: allowance	(3,329,519)	—	(3,329,519)
Net receivables	$ 25,070,288	$ 66,323	$ 25,136,611

Component Units	Community Development Corporation	Economic Development Corporation	Total
Sales tax	$ 5,967,979	$ 5,967,979	$ 11,935,958
Leases	15,817	7,974	23,791
PPP's	129,663	—	129,663
Accrued interest	166,677	236,301	402,978
Other	31,776	—	31,776
Net receivables	$ 6,311,912	$ 6,212,254	$ 12,524,166

The Proprietary Fund accounts receivable includes unbilled charges for services rendered at September 30, 2025.

Property taxes are levied on October 1, are payable until February 1 of the following year without penalty and are levied for the period in which they are levied. Property taxes attach as an enforceable lien on property as of February 1. No discounts are allowed for early payment. Penalty and interest are calculated after February 1 up to the date collected by the City at the rate of 6% for the first month and increased by 1% per month up to a total of 12%. Under state law, property taxes on real property constitute a lien on the property and cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of 20 years. Taxes applicable to personal property may be deemed uncollectible by the City. The City's current policy is to write off uncollectible personal property taxes after four years.

Leases and PPPs receivable – The City, FCDC and FEDC have entered into multiple lease and PPP agreements for facilities, land and cell towers as lessor. The City initially measured the lease and PPP receivables at the present value of payments expected to be received during the agreement term. The terms expire between 2029 and 2057 and the interest rates vary between .23%-3.78%.

In addition, the FCDC has entered into two leases that include variable payments based on the lessees performance. In FY25 the FCDC recognized $69,013 in variable leases revenue.

The following is a schedule of requirements under the PPPs for governmental activities and component units as of September 30, 2025:

	Governmental Activities			Component Units		
Fiscal Year Ending September 30	Principal	Interest	Total	Principal	Interest	Total
2026	$ (498,902) *	$ 4,221,285	$ 3,722,383	$ 56,377	$ 3,623	$ 60,000
2027	(438,984) *	4,240,966	3,801,982	58,373	1,627	60,000
2028	4,656,544	4,205,685	8,862,229	14,913	87	15,000
2029	4,828,019	4,033,887	8,861,906	—	—	—
2030	5,012,411	3,855,668	8,868,079	—	—	—
2031-2035	22,366,986	16,632,337	38,999,323	—	—	—
2036-2040	15,468,156	13,077,616	28,545,772	—	—	—
2041-2045	15,866,078	10,213,536	26,079,614	—	—	—
2046-2047	18,645,243	6,940,654	25,585,897	—	—	—
2051-2055	22,197,388	3,091,823	25,289,211	—	—	—
2056-2057	4,775,530	90,353	4,865,883	—	—	—
Total	112,878,469	70,603,810	183,482,279	129,663	5,337	135,000

*Negative principal payments represent negative amortization in early years, when scheduled payments are less than recognized interest. The result is a temporary increase in the liability.

The following is a schedule of requirements under the leases for governmental activities and component units as of September 30, 2025:

	Governmental Activities			Component Units		
Fiscal Year Ending September 30	Principal	Interest	Total	Principal	Interest	Total
2026	$ 1,577,098	$ 1,492,528	$ 3,069,626	$ 13,864	$ 136	$ 14,000
2027	1,263,959	1,138,477	2,402,436	5,940	60	6,000
2028	608,824	481,454	1,090,278	3,987	13	4,000
2029	189,651	58,568	248,219	—	—	—
2030	188,410	51,702	240,112	—	—	—
2031-2035	495,759	35,718	531,477	—	—	—
2036-2040	25,134	24,866	50,000	—	—	—
2041-2045	28,302	21,698	50,000	—	—	—
2046-2050	31,868	18,132	50,000	—	—	—
2051-2055	35,884	14,116	50,000	—	—	—
2056-2060	40,405	9,595	50,000	—	—	—
2061-2065	45,497	4,503	50,000	—	—	—
2046-2047	9,765	235	10,000	—	—	—
Total	4,540,556	3,351,592	7,892,148	23,791	209	24,000

Notes Receivable City

The City has note receivables with clients in the targeted down payment assistance program totaling $12,000. Additionally, the City has one developer agreement in the CIP Fund for $373,000 which is classified as a note receivable. This $385,000 total note receivable is recorded at the fund level in the financial statements.

Note 6. Capital, Lease, and Subscription Assets

The following is a summary of changes in the capital, lease, and subscription assets during the fiscal year:

Capital, Lease, and Subscription Assets Activity
For the Year Ended September 30, 2025

Governmental Activities	Balance 10/1/2024	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2025
Capital assets, not being depreciated:					
Land	$ 403,799,469	$ 11,578,359	$ —	$ (48,284)	$ 415,329,544
Intangible assets	92,227	—	—	—	92,227
Construction-in-progress	146,609,839	268,389,139	(72,039,153)	(140,571)	342,819,254
Total capital asset, not being depreciated	550,501,535	279,967,498	(72,039,153)	(188,855)	758,241,025
Capital, lease, and subscription assets, being depreciated/amortized:					
Machinery and equipment	139,254,116	15,845,537	—	(3,800,075)	151,299,578
Right-to-use leased equipment	753,331	—	—	(50,333)	702,998
Buildings and improvements	901,997,183	—	—	—	901,997,183
Right-to-use leased buildings	653,456	253,674	—	(306,057)	601,073
Improvements other than buildings	1,826,676,542	62,255,255	72,039,153	—	1,960,970,950
Right-to-use SBITA	6,134,832	16,566,485		(741,962)	21,959,355
Total capital, lease, and subscription assets being depreciated/amortized	2,875,469,460	94,920,951	72,039,153	(4,898,427)	3,037,531,137
Less accumulated depreciation/amortization:					
Machinery and equipment	(91,338,906)	(13,058,030)	—	3,712,077	(100,684,859)
Right-to-use leased equipment	(356,398)	(122,743)	—	50,333	(428,808)
Buildings and improvements	(343,572,607)	(32,607,152)	—	—	(376,179,759)
Right-to-use leased buildings	(485,360)	(183,454)	—	306,057	(362,757)
Improvements other than buildings	(716,891,896)	(61,491,111)	—	—	(778,383,007)
Right-to-use SBITA	(2,241,895)	(4,334,288)	—	741,961	(5,834,222)
Total accumulated depreciation/amortization	(1,154,887,062)	(111,796,778)	—	4,810,428	(1,261,873,412)
Total capital, lease, and subscription assets, being depreciated/amortized, net	1,720,582,398	(16,875,827)	72,039,153	(87,999)	1,775,657,725
Governmental activities capital, lease, and subscription assets, net	$2,271,083,933	$ 263,091,671	$ —	$ (276,854)	$2,533,898,750

Business-type Activities	Balance 10/1/2024	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2025
Capital assets, not being depreciated:					
Land	$ 11,869,818	$ 272,435	$ —	$ —	$ 12,142,253
Construction-in-progress	83,075,237	33,940,337	(15,293,005)	—	101,722,569
Total capital asset, not being depreciated	94,945,055	34,212,772	(15,293,005)	—	113,864,822
Capital, lease, and subscription assets being depreciated/amortized					
Machinery and equipment	16,257,202	2,846,858	—	(517,277)	18,586,783
Right-to-use leased equipment	96,504	—	—	—	96,504
Buildings and improvements	19,539,887	—	—	—	19,539,887
Improvements other than buildings	773,554,273	36,881,773	15,293,005	—	825,729,051
Right-to-use SBITA	208,416	—	—	(208,416)	—
Total capital, lease, and subscription assets being depreciated/amortized	809,656,282	39,728,631	15,293,005	(725,693)	863,952,225
Less accumulated depreciation/amortization:					
Machinery and equipment	(10,868,926)	(1,508,357)	—	517,276	(11,860,007)
Right-to-use leased equipment	(65,550)	(21,850)	—	—	(87,400)
Buildings and improvements	(9,222,474)	(753,606)	—	—	(9,976,080)
Improvements other than buildings	(284,355,818)	(28,424,824)	—	—	(312,780,642)
Right-to-use SBITA	(208,417)	—	—	208,417	—
Total accumulated depreciation/amortization	(304,721,185)	(30,708,637)	—	725,693	(334,704,129)
Total capital, lease, and subscription assets, being depreciated/amortized, net	504,935,097	9,019,994	15,293,005	—	529,248,096
Business-type activities capital, lease, and subscription assets, net	$ 599,880,152	$ 43,232,766	$ —	$ —	$ 643,112,918

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	$ 25,876,247
Public safety	10,409,477
Public works	63,847,694
Culture and recreation	11,663,360
Total depreciation/amortization expense governmental activities	$ 111,796,778
Business-type activities	
Water & sewer	$ 30,455,263
Stormwater drainage	180,895
Environmental services	72,479
Total depreciation/amortization expense business-type activities	$ 30,708,637

Frisco Community Development Corporation	Balance 10/1/2024	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2025
Capital assets, not being depreciated:					
Land	$ 71,518,747	$ 975,223	$ —	$ (9,562,835)	$ 62,931,135
Total capital assets not being depreciated	71,518,747	975,223	—	(9,562,835)	62,931,135
Capital assets, being depreciated:					
Machinery and equipment	118,213	96,419	—	—	214,632
Buildings and improvements	4,276,396	—	—	—	4,276,396
Improvements other than buildings	19,405,690	—	—	—	19,405,690
Total capital assets being depreciated	23,800,299	96,419	—	—	23,896,718
Less: accumulated depreciation	(21,663,053)	(240,263)	—	—	(21,903,316)
Total capital assets, being depreciated, net	2,137,246	(143,844)	—	—	1,993,402
FCDC capital assets, net	$ 73,655,993	$ 831,379	$ —	$ (9,562,835)	$ 64,924,537

Frisco Economic Development Corporation	Balance 10/1/2024	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2025
Capital assets, not being depreciated:					
Land	$ 16,764,051	$ —	$ —	$ —	$ 16,764,051
Construction in progress	1,103,365	88,135	(1,191,500)	—	—
Total capital assets not being depreciated	17,867,416	88,135	(1,191,500)	—	16,764,051
Capital and lease assets, being depreciated/ amortized:					
Machinery and equipment	512,445	1,683,767	—	—	2,196,212
Right-to-use leased equipment	32,892	—	—	—	32,892
Buildings and improvements	1,549,713	—	1,191,500	—	2,741,213
Right-to-use leased building	379,196	6,180,275	—	(379,196)	6,180,275
Total capital and lease assets being depreciated/amortized	2,474,246	7,864,042	1,191,500	(379,196)	11,150,592
Less: accumulated depreciation/ amortization	(593,602)	(649,060)	—	379,196	(863,466)
Total capital and lease assets, being depreciated/amortized, net	1,880,644	7,214,982	1,191,500	—	10,287,126
FEDC capital and lease assets, net	$ 19,748,060	$ 7,303,117	$ —	$ —	$ 27,051,177

In addition to construction in progress, the City had commitments or binding contracts as of September 30, 2025. The construction commitments or binding contracts totaled $177,538,143 for the governmental capital projects fund; and $97,770,006 for the business-type activities capital projects fund. Other funds also had outstanding encumbrances totaling $9,239,268.

Governmental activities		
General fund	$	6,578,919
Capital projects fund		177,538,143
Nonmajor funds		366,309
Total outstanding commitments	$	184,483,371
Business-type activities		
Water & Sewer fund	$	2,104,648
Water & Sewer fund construction		97,770,006
Nonmajor funds		189,392
Total outstanding commitments	$	100,064,046

Note 7. Long-term Debt

Long-term debt at September 30, 2025 includes the following issues:

Governmental Activities

General Obligation Bonds

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2011 Refunding and Improvement Bonds	08/16/2011	02/15/2031	3.125% - 5.000%	$ 109,545,000	$ 1,505,000
2015 A Refunding and Improvement Bonds	08/18/2015	02/15/2035	3.500% - 5.000%	81,335,000	5,480,000
2015 B Refunding Bonds	05/19/2015	02/15/2035	2.500% - 4.100%	6,040,000	3,485,000
2016 Refunding and Improvement Bonds	07/27/2016	02/15/2036	3.500% - 5.000%	115,575,000	50,390,000
2017 Improvement Bonds	07/18/2017	02/15/2037	3.000% - 5.000%	45,510,000	31,985,000
2018 Improvement Bonds	07/17/2018	02/15/2038	3.125% - 5.000%	53,635,000	39,900,000
2019 Improvement Bonds	07/31/2019	02/15/2039	3.000% - 5.000%	63,790,000	49,965,000
2020 Improvement Bonds	09/29/2020	02/15/2040	2.000% - 5.000%	26,790,000	21,955,000
2021 Refunding and Improvement Bonds	01/05/2021	02/15/2040	2.000% - 5.000%	89,950,000	67,235,000
2022 Refunding and Improvement Bonds	01/11/2022	02/15/2042	2.000% - 5.000%	86,520,000	72,705,000
2022 Improvement Bonds	01/11/2022	02/15/2042	1.300% - 2.650%	12,000,000	10,475,000
2023 G.O. Bonds Taxable	08/15/2023	02/15/2043	4.630% - 6.000%	20,490,000	19,280,000
2023 G.O. Refunding & Improvement	08/01/2023	02/15/2043	4.000% - 6.000%	142,195,000	116,990,000
2024 G.O. Bonds Taxable	08/07/2024	02/15/2044	4.750% - 7.000%	8,970,000	8,745,000
2024 G.O. Refunding & Improvement	08/07/2024	02/15/2044	4.000% - 5.000%	93,025,000	89,790,000
2025 G.O. Refunding & Improvement	08/06/2025	02/15/2045	4.125% - 5.000%	146,165,000	146,165,000
			Total	$ 1,101,535,000	$ 736,050,000

Certificates Of Obligation

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2008 B Combination Tax and Revenue	02/15/2008	02/15/2033	6.050% - 6.375%	$ 20,520,000	$ 14,135,000
2009 Combination Tax and Limited Surplus Revenue	11/15/2009	02/15/2030	4.000% - 4.750%	3,105,000	865,000
2014 A Combination Tax and Limited Surplus Revenue	08/26/2014	02/15/2038	2.650% - 4.150%	90,000,000	61,975,000
2015 A Combination Tax and Limited Surplus Revenue	10/20/2015	02/15/2037	2.000% - 4.000%	9,015,000	6,080,000
2015 B Combination Tax and Limited Surplus Revenue	10/20/2015	02/15/2037	2.580% - 4.300%	20,740,000	14,100,000
2016 B Combination Tax and Limited Surplus Revenue	07/27/2016	02/15/2041	1.916% - 3.600%	20,500,000	15,610,000
2019 Combination Tax and Revenue	02/26/2019	02/15/2039	3.000% - 4.000%	35,000,000	27,020,000
2019 B Combination Tax and Surplus Revenue	07/31/2019	02/15/2039	2.350% - 3.050%	16,535,000	12,515,000
2022 B Combination Tax and Surplus Revenue	01/11/2022	02/15/2042	0.850% - 2.650%	39,510,000	34,025,000
2023 B Combination Tax and Surplus Revenue	08/15/2023	02/15/2043	4.600% - 5.250%	42,775,000	42,775,000
2024 A Combination Tax and Surplus Revenue	08/07/2024	02/15/2044	4.000% - 5.000%	37,045,000	35,975,000
2025 A Combination Tax and Surplus Revenue	07/17/2025	02/15/2047	4.680% - 6.000%	70,050,000	70,050,000
2025 B Combination Tax and Surplus Revenue	07/15/2025	02/15/2045	5.000%	18,905,000	18,905,000
2025 C Combination Tax and Surplus Revenue	08/06/2025	02/15/2045	4.500% - 5.000%	18,950,000	18,950,000
			Total	$ 442,650,000	$ 372,980,000

Business-type Activities

General Obligation Bonds

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2015 A Refunding and Improvement Bonds	08/18/2015	02/15/2027	3.500% - 5.000%	$ 26,375,000	$ 2,970,000
2023 Refunding and Improvement Bonds	08/01/2023	02/15/2043	4.000% - 6.000%	19,315,000	12,550,000
2024 Refunding and Improvement Bonds	08/07/2024	02/15/2044	4.000% - 5.000%	7,725,000	7,120,000
2025 Refunding and Improvement Bonds	08/06/2025	02/15/2045	4.125% - 5.000%	3,020,000	3,020,000
			Total	$ 56,435,000	$ 25,660,000

Certificates Of Obligation

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2015 Combination Tax and Surplus Revenue	08/18/2015	02/15/2035	3.000% - 4.000%	$ 14,965,000	$ 8,680,000
2016 A Combination Tax and Limited Surplus Revenue	07/27/2016	02/15/2036	4.000%	17,065,000	11,020,000
2017 Combination Tax and Surplus Revenue	07/18/2017	02/15/2037	3.000% - 4.000%	14,455,000	9,945,000
2018 Combination Tax and Surplus Revenue	07/17/2018	02/15/2038	3.000% - 5.000%	14,705,000	10,800,000
2019 A Combination Tax and Surplus Revenue	07/31/2019	02/15/2039	2.500% - 4.000%	9,595,000	7,340,000
2020 Combination Tax and Surplus Revenue	09/29/2020	02/15/2040	2.000% - 5.000%	13,635,000	11,130,000
2021 Combination Tax and Surplus Revenue	01/05/2021	02/15/2040	2.000% - 5.000%	20,315,000	17,270,000
2022 A Combination Tax and Surplus Revenue	01/11/2022	02/15/2042	2.000% - 4.000%	13,855,000	12,310,000
2023 A Combination Tax and Surplus Revenue	08/15/2023	02/15/2043	4.000% - 5.000%	18,535,000	17,400,000
2024 A Combination Tax and Surplus Revenue	08/07/2024	02/15/2044	4.000% - 5.000%	18,520,000	17,985,000
2025 C Combination Tax and Surplus Revenue	08/06/2025	02/15/2045	4.500% - 5.000%	66,320,000	66,320,000
			Total	$ 221,965,000	$ 190,200,000

Component Units

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2014 Sales Tax Revenue Bonds	08/26/2014	02/15/2034	2.900% - 4.200%	$ 25,000,000	$ 13,490,000
2015 Sales Tax Revenue Bonds	05/19/2015	02/15/2035	2.650% - 4.250%	6,000,000	3,485,000
2016 A Sales Tax Revenue Bonds	02/11/2016	02/15/2037	3.000% - 5.000%	21,690,000	15,280,000
2016 B Sales Tax Revenue Bonds	02/11/2016	02/15/2037	2.540% - 4.450%	15,180,000	10,330,000
Series 2022 C Sales Tax Revenue Refunding Bonds	03/01/2022	02/15/2032	0.650% - 2.250%	16,515,000	11,925,000
Series 2022 D Sales Tax Revenue Refunding Bonds	03/01/2022	02/15/2032	0.650% - 2.250%	15,535,000	11,220,000
Series 2024 Sales Tax Revenue Refunding Bonds	11/26/2024	02/15/2056	4.370% - 5.430%	197,125,000	197,125,000
			Total	$ 297,045,000	$ 262,855,000

General obligation bonds and certificates of obligation mature annually in varying amounts through 2047. The interest for the bonds is payable semi-annually with interest rates ranging from 0.850% - 7.000%. The City is in compliance with related bond covenants.

In November 2024, The City of Frisco CDC issued Sales Tax Revenue Bonds, Series 2024 in the amount of $197,125,000. Proceeds of the sale are to be used for acquiring, installing and constructing improvements, upgrades, remodel and renovations to the City's Toyota soccer stadium consisting of the ticketing building, concessions and restrooms, seating, roof shade and canopy, and upgrade of electronic message boards, signage, sound system and other electronic equipment, and other purposes permitted by law, (ii) funding a Debt Service Reserve Fund, and (iii) pay the costs of professional services including the costs of issuance of the Bonds.

In August 2025, the City of Frisco issued General Obligation Refunding and Improvement Bonds, Series 2024 in the amount of $149,185,000 with a net premium of $9,091,219. Proceeds of the sale of the Bonds are to be used for (i) financing permanent improvements for Police and Fire, Streets, and Parks; (ii) to refund $36,245,000 of General Obligation Refunding and Improvement Bonds, Series 2015, for debt service savings and (iii) to pay the costs associated with the issuance of the Bonds. The current refunding resulted in the reacquisition price exceeding the net carrying amount of the old debt by $189,884. As a result of the transaction the City reduced total debt service payments by $3,575,337and resulted in an economic gain of $3,035,340.

In July 2025, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025 A in the amount of $70,050,000 with a net premium of $662,271. Proceeds of the sale of the Bonds are to be used for (i) constructing and/or acquiring structured parking for public use; and (ii) to pay the costs of issuance associated with the sale of the Certificates

In July 2025, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Series 2025 B in the amount of $18,905,000 with a net premium of $1,303,679. Proceeds of the sale of the Bonds are to be used for (i) financing permanent improvements for Streets, and related improvements; and (ii) to pay the costs associated with the issuance of the Certificates.

In August 2025, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024 C in the amount of $85,270,000 with a net premium of $5,573,202. Proceeds from the sale of the Certificates will be used for (i) constructing improvements and extensions to the City’s combined waterworks and sewer system and water re-use system consisting of transmission lines, pump stations and ground storage; (ii) construction of Grand Park and (iii) to pay the costs associated with the issuance of the Certificates.

During the year, the following changes occurred in the long-term liabilities:

Governmental Activities	Balance 10/1/2024	Increases	Decreases	Balance 9/30/2025	Amounts due within one year
Compensated absences*	$ 29,035,928	$ 2,869,023	$ —	$ 31,904,951	$ 11,375,818
Leases	594,694	253,674	309,154	539,214	282,428
SBITAs	3,702,275	15,299,139	5,420,381	13,581,033	5,248,402
Pensions	49,607,290	—	5,641,333	43,965,957	—
OPEB	3,618,570	197,904	—	3,816,474	—
Arbitrage rebates	8,243,186	4,699,229	—	12,942,415	2,691,035
Developer payable	17,329,682	4,419,365	—	21,749,047	—
General obligation bonds	669,570,000	146,165,000	79,685,000	736,050,000	43,715,000
Certificates of obligation	277,950,000	107,905,000	12,875,000	372,980,000	15,290,000
Premiums	41,301,281	13,065,375	10,828,820	43,537,836	2,860,528
Discounts	(1,219,995)	(878,226)	(118,553)	(1,979,668)	(38,535)
Total governmental activities	$ 1,099,732,911	$ 293,995,483	$ 114,641,135	$ 1,279,087,259	$ 81,424,676

Business-type Activities	Balance 10/1/2024	Increases	Decreases	Balance 9/30/2025	Amounts due within one year
Compensated absences*	$ 3,161,143	$ 393,669	$ —	$ 3,554,812	$ 1,577,721
Leases	32,809	—	23,081	9,728	9,728
Pensions	6,272,186	—	713,272	5,558,914	—
OPEB	457,520	25,023	—	482,543	—
Arbitrage rebates	1,868,930	1,071,546	—	2,940,476	1,011,187
General obligation bonds	32,815,000	3,020,000	10,175,000	25,660,000	6,345,000
Certificates of obligation	130,065,000	66,320,000	6,185,000	190,200,000	8,395,000
Premiums	9,263,082	4,721,192	2,067,827	11,916,447	—
Discounts	(311,888)	(277,970)	(32,330)	(557,528)	—
Total business-type activities	183,623,782	75,273,460	19,131,850	239,765,392	17,338,636
Total primary government	$ 1,283,356,693	$ 369,268,943	$ 133,772,985	$ 1,518,852,651	$ 98,763,312

*The change in accrued compensated absences is presented as a net amount, in accordance with GASB 101.

Component Units	Balance 10/1/2024	Increases	Decreases	Balance 9/30/2025	Amounts due within one year
Compensated absences*	$ 338,514	$ 14,501	$ —	$ 353,015	$ 168,957
Leases	18,299	6,180,274	290,766	5,907,807	477,785
Pensions	1,140,397	—	129,685	1,010,712	—
OPEB	83,186	4,549	—	87,735	—
Pollution Remediation Obligation	34,721,342	22,396,010	11,712,686	45,404,666	—
Sales tax revenue bonds	71,840,000	197,125,000	6,110,000	262,855,000	6,285,000
Notes payable – City	—	—	—	—	—
Premiums	476,821	—	124,989	351,832	—
Discounts	(40,994)	(1,292,408)	(47,397)	(1,286,005)	—
Total component units	$ 108,577,565	$ 224,427,926	$ 18,320,729	$ 314,684,762	$ 6,931,742

*The change in accrued compensated absences is presented as a net amount, in accordance with GASB 101.

Debt service requirements of the general obligation bonds and certificates of obligation for the governmental activities for the years subsequent to September 30, 2025, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2026	$ 59,005,000	$ 45,991,929	$ 104,996,929
2027	57,600,000	42,873,696	100,473,696
2028	59,245,000	40,141,675	99,386,675
2029	60,235,000	37,362,067	97,597,067
2030	63,085,000	34,572,767	97,657,767
2031-2035	339,740,000	130,363,431	470,103,431
2036-2040	294,015,000	65,683,446	359,698,446
2041-2045	165,415,000	18,540,981	183,955,981
2046-2047	10,690,000	585,090	11,275,090
Total	1,109,030,000	416,115,082	1,525,145,082
Plus: Unamortized bond premium	43,537,836	—	43,537,836
Less: Unamortized bond discount	(1,979,668)	—	(1,979,668)
Net debt service requirements	$1,150,588,168	$ 416,115,082	$1,566,703,250

Debt service requirements of the general obligation bonds and certificates of obligation for the business-type activities for the years subsequent to September 30, 2025, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2026	$ 14,740,000	$ 8,826,119	$ 23,566,119
2027	13,760,000	8,146,538	21,906,538
2028	11,240,000	7,567,841	18,807,841
2029	11,780,000	7,036,831	18,816,831
2030	12,295,000	6,487,656	18,782,656
2031-2035	65,465,000	24,170,119	89,635,119
2036-2040	52,350,000	12,566,972	64,916,972
2041-2045	34,230,000	3,532,075	37,762,075
Total	215,860,000	78,334,151	294,194,151
Plus: Unamortized bond premium	11,916,447	—	11,916,447
Less: Unamortized bond discount	(557,528)	—	(557,528)
Net debt service requirements	$ 227,218,919	$ 78,334,151	$ 305,553,070

Debt service requirements of the revenue bonds and notes payable for the Community Development Corporation component unit for the years subsequent to September 30, 2025, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2026	$ 3,445,000	$ 11,615,827	$ 15,060,827
2027	6,465,000	11,442,240	17,907,240
2028	6,735,000	11,191,637	17,926,637
2029	7,015,000	10,924,805	17,939,805
2030	7,300,000	10,642,300	17,942,300
2031-2035	35,830,000	48,713,088	84,543,088
2036-2040	29,780,000	41,050,102	70,830,102
2041-2045	31,940,000	33,500,897	65,440,897
2046-2050	41,745,000	23,680,938	65,425,938
2051-2055	54,445,000	10,978,948	65,423,948
2056	12,740,000	345,891	13,085,891
Total	237,440,000	214,086,673	451,526,673
Plus: Unamortized bond premium	351,832	—	351,832
Less: Unamortized bond discount	(1,286,005)	—	(1,286,005)
Net debt service requirements	$ 236,505,827	$ 214,086,673	$ 450,592,500

The following is a summary of pledged revenues for the Community Development Corporation for the year ended September 30, 2025:

Revenue Pledged	Total Revenue Pledged	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.5% Sales and use tax	$35,643,847	$12,182,762	34.2%	$451,526,673	Until 2056

Debt service requirements of the revenue bonds and notes payable for the Economic Development Corporation component unit for the years subsequent to September 30, 2025, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2026	$ 2,840,000	$ 737,991	$ 3,577,991
2027	2,920,000	664,604	3,584,604
2028	3,015,000	584,880	3,599,880
2029	3,120,000	498,628	3,618,628
2030	3,230,000	406,723	3,636,723
2030-2034	10,290,000	656,956	10,946,956
Total	25,415,000	3,549,782	28,964,782
Debt service requirements	$ 25,415,000	$ 3,549,782	$ 28,964,782

The following is a summary of pledged revenues for the Economic Development Corporation for the year ended September 30, 2025:

Revenue Pledged	Total Revenue Pledged	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.5% Sales and use tax	$35,643,847	$3,574,731	10.0%	$28,964,782	Until 2034

In 2021, the City entered into a development agreement for the construction of major roadways within the boundaries of TIRZ #7. The developer is required to construct the roadway improvements to the City's minimum design and construction standards. Should the developer construct improvements in excess of these standards, these enhancement costs are eligible to be paid to the developer only after the City debt service associated with these improvements are satisfied. Upon the satisfaction of these obligations, the developer would then be eligible to receive reimbursement on interest costs incurred by the developer. The interest is capped at 4%. To date, the amount the developer has exceeded construction standards plus eligible interest reimbursements is approximately $21.7 million. This liability is listed as a developer payable on the City's government-wide statements.

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings and equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate or the interest rate stated or implied within the leases. As of 9/30/25, the City and FEDC have 18 active leases with interest rates that range from 0.45% to 3.59% and terms between 2 and 18 years. The City has also entered into multiple Subscription-Based Information Technology Arrangements (SBITAs). These agreements allow the right-to-use of subscription assets. The interest rate, term and ending lease and SBITA liability are as follows:

	Balance 10/1/24	Increases	Decreases	Ending Balance
Governmental Activities:				
Buildings and improvements	$ 182,378	$ 253,674	$ 186,103	$ 249,949
Equipment	412,316	—	123,051	289,265
SBITAs	3,702,275	15,299,139	5,420,381	13,581,033
Total governmental activities				$14,120,247
Business-type activities:				
Equipment	$ 32,809	$ —	$ 23,081	9,728
Total business-type activities				$ 9,728
Component units:				
Buildings	$ —	$6,180,275	$ 282,481	5,897,794
Equipment	18,298	—	8,285	10,013
Total component units				$ 5,907,807

Annual requirements to amortize leases payable for the governmental activities for the years subsequent to September 30, 2025, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2026	$ 282,428	$ 8,402	$ 290,830
2027	71,394	4,549	75,943
2028	26,761	3,577	30,338
2029	11,827	3,173	15,000
2030	12,064	2,936	15,000
2031-2035	64,036	9,283	73,319
2036-2040	70,704	5,978	76,682
Total	$ 539,214	$ 37,898	$ 577,112

Annual requirements to amortize leases payable for the business-type activities for the years subsequent to September 30, 2025, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2026	$ 9,728	$ 40	$ 9,768
Total	$ 9,728	$ 40	$ 9,768

Annual requirements to amortize leases payable for the Economic Development Corporation component unit for the years subsequent to September 30, 2025, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2026	$ 477,785	$ 176,416	$ 654,201
2027	496,572	161,284	657,856
2028	521,824	145,532	667,356
2029	549,369	128,970	678,339
2030	577,781	111,544	689,325
2031-2035	3,284,476	264,064	3,548,540
Total	$ 5,907,807	$ 987,810	$ 6,895,617

Annual requirements to amortize SBITAs payable for the governmental activities for the years subsequent to September 30, 2025, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2026	$ 5,248,402	$ 378,097	$ 5,626,499
2027	4,718,296	225,658	4,943,954
2028	1,928,595	95,234	2,023,829
2029	1,673,232	43,342	1,716,574
2030	12,508	113	12,621
Total	$ 13,581,033	$ 742,444	$ 14,323,477

Note 8. Tax Abatements

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of Frisco. This program rebates property and sales & use taxes and is authorized under Chapter 380 of the Texas Local Government Code.

The various agreements are detailed below that rebate a percentage of various taxes including property, sales & use taxes, mix beverage taxes, and hotel occupancy taxes. Agreements for rebate of property taxes generally call for rebates of 50% of taxes on incremental values for usually up to 10 years. The agreements for sales & use taxes provide for a rebate of .50% to .85% of the City 1% taxes on incremental values for usually up to 10 years, with the maximum being 25 years. For fiscal year 2025, the City rebated property taxes of $2,263,296, sales and use taxes of $4,964,844, and mixed-beverage and hotel occupancy taxes of $15,902,730.

Office Development Agreements
To promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Collin County, Denton County and the City of Frisco, Texas, the City agreed to pay ad valorem tax grants to certain developers. These grants require the construction of minimum square feet of office space and obtaining certificates of occupancy within a specified time period, all of which have been met during the 2025 fiscal year.

An agreement was executed in November 2016 for an office building and parking garage. The City pays fifty percent (50%) of the ad valorem taxes actually collected by the City that are directly associated with the increase in value in excess of the base year value up to a maximum of $11,000,000 or 23 years. $283,009 was earned during the current year of this grant.

Retail Development Agreements
To promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Collin County, Denton County and the City of Frisco, Texas, the City agreed to pay sales tax grants to certain developers. These grants require the construction of minimum square feet of retail space and obtaining certificates of occupancy for certain major retailers within a specified time period, all of which have been met during the 2025 fiscal year.

An agreement was executed in January 2011 for approximately 140,000 square feet of retail space which opened in October 2011. The City pays the lesser of fifty percent (50%) or $70,000 of ad valorem taxes actually collected by the City for 10 years following the initial sales tax grant which ended in November of 2020. The City paid $31,000 during the current year of this grant

An agreement was executed in May 2013 for a retail sales center. The City pays eighty-five percent of one percent (.85%) of all retail sales generated for a period of twenty-five years. The City paid $1,498,577 during the current year of this grant.

An agreement was executed with the owner of an entertainment venue in April 2013. This agreement includes a 50% rebate of property taxes for 10 years and one-half of one percent of sales and use taxes (0.50%) for five years. The City paid $8,716 during the current year of the grant.

An agreement was executed in August 2015 with a residential builder for a ten-year period. Payments will be calculated based on eighty percent (.80%) of the City's one percent of use tax levied on housing materials purchased. The City paid $149,964 during the current year of this grant.

An agreement was executed in November 2015 for an entertainment and retail center. The City pays fifty percent (50%) of the ad valorem taxes actually collected by the City that are directly associated with the increase in value in excess of the base year value up to a maximum of $60,000,000 or 24 years and one-half of one percent of sales and use taxes (0.50%) for five years. $1,446,212 was earned during the current year of this grant.

An agreement was executed in October 2016 for a retail sales center. The City pays one half percent (0.5%) of retail sales generated for a period of ten years. The City paid $143,378 during the current year of this grant.

An agreement was executed in August 2017 for a retail sales center. The City pays seventy-five percent of one percent (.75%) of all retail sales over a certain dollar amount generated for a period of twenty-five years. The City paid $2,399,443 for the current year of this grant.

An agreement was executed in December 2018 for a mixed-use development with a hotel facility. The City pays one-hundred percent (1%) of sales tax for 10 years then fifty percent (.50%) for five years, one-hundred percent (100%) of hotel occupancy and mixed beverage tax for ten years then seventy percent (70%) of hotel occupancy tax for five years, and seventy-five percent (75%) of ad valorem for ten years then fifty percent (50%) for ten years. $16,835,217 was earned during the current year of this grant.

An agreement was executed in February 2019 for a retail sales center. The City pays one half (0.5%) of one percent of sales tax for a period of ten years and fifty percent (50%) of ad valorem taxes actually collected by the City. The City paid $151,851 for the current year of this grant.

An agreement was executed in May 2019 for a retail sales center. The City pays one half (0.5%) of one percent of sales tax for a period of ten years. The City paid $183,503 for the current year of this grant.

Note 9. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan is administered by Mission Square Retirement and is classified as a pension plan under the provisions of GASB 97. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries, and the City does have limited fiduciary responsibilities over the plan offerings and design; this plan is not reported in the financial statements of the City.

The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not make contributions to the plan.

Note 10. Defined Benefit Pension Plan

Plan Description
The City of Frisco, including the Frisco Economic Development Corporation (FEDC) a discretely presented component unit, participates as one of over 900 plans in the defined benefit cash balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide, public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City and FEDC are required to participate in TMRS.

Benefits Provided
TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Members can retire at ages 60 and above with five or more years of service or with 20 years of service regardless of age. A member is vested after five years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. A summary of plan provisions for the City are as follows:

Employee deposit rate: 7%
Matching ratio (City to employee): 2 to 1
Years required for vesting: 5
Service retirement eligibility: 60/5, 0/20
Updated Service Credit: 100%
Annuity Increase to retirees: 70% of CPI Repeating

Employees Covered by Benefits Terms
At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	361
Inactive employees entitled to but not yet receiving benefits	743
Active employees	1,418
Total	2,522

Contributions
The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarial determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Frisco and FEDC were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.33% and 15.16% in calendar years 2024 and 2025, respectively. The City's and FEDC's contributions to TMRS for the year ended September 30, 2025 were $22,320,112 and were equal to the required contributions.

Net Pension Liability
The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.1%
Core Fixed Income	6.00%	5.0%
Non-Core Fixed Income	6.00%	6.8%
Real Estate	12.00%	6.7%
Hedge Funds	5.00%	6.4%
Private Equity	13.00%	8.5%
Private Debt	13.00%	8.2%
Other Private Markets	4.00%	7.3%
Infrastructure	6.00%	6.0%
	100%	

Discount Rate
The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, beginning of year	$ 463,320,239	$ 406,300,366	$ 57,019,873
Changes for the year:			
Service cost	25,673,918	—	25,673,918
Interest	31,801,808	—	31,801,808
Difference between expected and actual experience	6,992,509	—	6,992,509
Changes in assumptions	—	—	—
Contributions-employer	—	19,364,556	(19,364,556)
Contributions-employee	—	9,463,433	(9,463,433)
Net investment income	—	42,401,618	(42,401,618)
Benefit payments, including refunds of employee contributions	(10,038,600)	(10,038,600)	—
Administrative expense	—	(270,750)	270,750
Other changes	—	(6,332)	6,332
Net changes	54,429,635	60,913,925	(6,484,290)
Balances, end of year	$ 517,749,874	$ 467,214,291	$ 50,535,583

Changes in the Net Pension Liability of the City & FEDC

	City	FEDC	Totals
Balances, beginning of year	$ 55,879,476	$ 1,140,397	$ 57,019,873
Changes for the year:			
Service cost	25,160,439	513,479	25,673,918
Interest	31,165,772	636,036	31,801,808
Difference between expected and actual experience	6,852,659	139,850	6,992,509
Changes in assumptions	—	—	—
Contributions-employer	(18,977,265)	(387,291)	(19,364,556)
Contributions-employee	(9,274,164)	(189,269)	(9,463,433)
Net investment income	(41,553,586)	(848,032)	(42,401,618)
Administrative expense	265,335	5,415	270,750
Other changes	6,205	127	6,332
Net changes	(6,354,605)	(129,685)	(6,484,290)
Balances, end of year	$ 49,524,871	$ 1,010,712	$ 50,535,583

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate
The following presents the net pension liability/(asset) of the City and FEDC, calculated using the discount rate of 6.75%, as well as what the City's and FEDC's net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's Net Pension Liability/(Asset)	$ 133,229,806	$ 49,524,871	$ (18,405,042)
FEDC Net Pension Liability/(Asset)	2,718,976	1,010,712	(375,613)

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. The report may be obtained online at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended September 30, 2025, the City and FEDC recognized pension expense of $23,062,973; $22,601,714 for the City and $461,259 for the FEDC.

At September 30, 2025, the City and FEDC reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,496,230	$ 1,050,745
Changes of assumptions	403,799	—
Net difference between projected and actual earnings on pension plan investments	—	5,678,424
Contributions subsequent to the measurement date	17,214,571	—
Total	$ 29,114,600	$ 6,729,169

Deferred Outflows and Inflows - FEDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 234,617	$ 21,444
Changes of assumptions	8,241	—
Net difference between projected and actual earnings on pension plan investments	—	115,886
Contributions subsequent to the measurement date	351,318	—
Total	$ 594,176	$ 137,330

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $17,214,571 for the City and $351,318 contributed for the FEDC, will be recognized as a reduction of the net pension liability for measurement year ending December 31, 2025 (i.e. recognized in the City's and FEDC's financial statements September 30, 2026). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	City	FEDC	Total
2026	$ 2,345,133	$ 47,860	$ 2,392,993
2027	5,877,378	119,946	5,997,324
2028	(3,694,842)	(75,405)	(3,770,247)
2029	(578,564)	(11,807)	(590,371)
2030	1,221,755	24,934	1,246,689
Total	$ 5,170,860	$ 105,528	$ 5,276,388

Allocation of Pension Items
Pension items are allocated between the City's governmental activities, City's business-type activities, and the FEDC on the basis of employee payroll funding. For the City's governmental activities, the net pension liability is liquidated by the General Fund and Hotel/Motel Tax Fund. For the City's business-type activities, the net pension liability is liquidated by the Water & Sewer Fund, Stormwater Drainage Fund, and Environmental Services Fund.

Note 11. Other Postemployment Benefits

Plans Descriptions
The City and FEDC provide a single-employer postemployment health insurance plan that retirees can purchase through age 65, but they are responsible for 100% of the premium costs and this plan is not part of the City's active employee plan. The City incurs no cost for providing these benefits, as retirees are included in a separate risk pool, however, there is an implicit rate subsidy and the City and FEDC have a measurable OPEB liability, which is accounted for in the OPEB liability.

The City and FEDC also participate in a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The City has elected, by ordinance, to participate in this program and provide group-term life insurance coverage for their active members and retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be a single-employer unfunded OPEB plan under paragraph 4, item (b) of GASB Statement No. 75. The City's OPEB plan does not issue separate financial statements.

Benefits
The City offers its retired employees and their spouses under age 65 health insurance coverage under the separate plan from the active employees. Employees can retire and receive benefits upon reaching age 60 with five years of service or with 20 years of service. Only pre-Medicare benefits are provided. Spouses receive benefits based on their Medicare eligibility age.

TMRS provides death benefits for active employees providing a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12–

month period preceding the month of death). The death benefit for retirees is considered other postemployment benefit (OPEB) and is a fixed amount of $7,500.

Employees Covered by Benefit Terms
For retiree health insurance at the September 30, 2025 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	11
Active employees	1,411
Total	1,422

For TMRS supplemental death at the December 31, 2024 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	277
Inactive employees entitled to but not yet receiving benefits	188
Active employees	1,418
Total	1,883

Benefit Payments
For retiree health insurance, retirees and their spouses currently receiving benefits are required to pay specified amounts monthly toward the cost of health insurance premiums.

Monthly retiree premium rates are as follows:

Retiree Premiums	Retiree	Retiree + Spouse
EPO High Deductible	$ 1,057	$ 2,042
EPO Low Deductible	$ 1,202	$ 2,298

The City and FEDC submit benefit payments to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefits for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Benefit payments are made monthly based on the covered payroll of the city. The contractually required benefit payment rate is determined annually for the City and FEDC. The rate is based on mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City and FEDC. There is a one-year delay between the actuarial valuation that serves as the basis for the employer benefit payment rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The retiree portion of the benefit payment rates to the SDBF for the City and FEDC were 0.03% and 0.03% in calendar years 2024 and 2025, respectively. The City's and FEDC’s benefit payments to the SDBF for the year ended September 30, 2025 were $13,276 and were equal to the required benefit payments.

Total OPEB Liability

The retiree health insurance total OPEB liability was measured as of September 30, 2025 and was determined by an actuarial valuation as of October 1, 2024.

The TMRS supplemental death total OPEB liability was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The retiree health insurance total OPEB liability in the October 1, 2024 actuarial valuation was determined using the following actuarial assumptions:

Discount rate	4.50% (4.06% in prior year)
Mortality table	Pub-2016 Safety and General Mortality Tables, weighted by headcount, projected with scale MP-2021
Salary scale	Graded scale based on age and participant group
Plan participation rates	0% for retirements prior to age 50
	5% for retirements between ages 50-59
	25% for retirements at ages 60 and later
Healthcare cost trend rate	
Current rate (medical/Rx)	5.80% / 8.80%
Ultimate rate (medical/Rx)	4.60% / 4.60%
Year ultimate is reached (medical/Rx)	2032 / 2049

The discount rate was selected by City of Frisco based on the S&P Municipal Bond 20 year High Grade Rate Index to reflect yields on long-term municipal bonds as of the measurement date.

The TMRS supplemental death total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	4.08% (3.77% in prior year)
Retirees' share of benefit-related costs	$0
Administrative expense	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate was based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December, 31 2024.

Changes in Total OPEB Liability Retiree Health Insurance	City	FEDC	Totals
Balance, beginning of year	$ 1,922,240	$ 39,230	$ 1,961,470
Changes for the year:			
Service cost	173,591	3,543	177,134
Interest on the total OPEB liability	83,648	1,707	85,355
Difference between expected and actual experience	88,813	1,813	90,626
Changes in assumptions or other inputs	(92,563)	(1,889)	(94,452)
Benefit payments	(21,210)	(433)	(21,643)
Net changes	232,279	4,741	237,020
Balance, end of year	$ 2,154,519	$ 43,971	$ 2,198,490

Changes in Total OPEB Liability TMRS Supplemental Death	City	FEDC	Totals
Balance, beginning of year	$ 2,153,850	$ 43,957	$ 2,197,807
Changes for the year:			
Service cost	158,743	3,238	161,981
Interest on the total OPEB liability	83,444	1,703	85,147
Difference between expected and actual experience	(73,329)	(1,497)	(74,826)
Changes in assumptions or other inputs	(138,525)	(2,827)	(141,352)
Benefit payments **	(39,685)	(810)	(40,495)
Net changes	(9,352)	(193)	(9,545)
Balance, end of year	$ 2,144,498	$ 43,764	$ 2,188,262

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to changes in the discount rate.
The following presents the total OPEB liability of the City's and FEDC's retiree health insurance calculated using the discount rate of 4.50%, as well as what the City's and FEDC's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.50%) or 1 percentage point higher (5.50%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's OPEB	$ 2,348,889	$ 2,154,519	$ 1,976,567
FEDC's OPEB	47,937	43,971	40,338

The following presents the total OPEB liability of the City's and FEDC's TMRS supplemental plan calculated using the discount rate of 4.08%, as well as what the City's and FEDC's total OPEB liability

would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) or 1 percentage point higher (5.08%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's OPEB	$ 2,635,343	$ 2,144,498	$ 1,768,892
FEDC's OPEB	53,783	43,764	36,100

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.
The following presents the total OPEB liability of the City and FEDC retiree health insurance, as well as what the City's and FEDC's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease	Current Healthcare Rate	1% Increase
City's OPEB	$ 1,901,631	$ 2,154,519	$ 2,452,908
FEDC's OPEB	$ 38,809	$ 43,971	$ 50,059

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2025, the City recognized OPEB expense of $165,207 for TMRS Supplemental Death and $(273,833) for Retiree Health Insurance, $(108,626) aggregated. The FEDC also recognized OPEB expense of $3,372 for TMRS Supplemental Death and $(5,588) for Retiree Health Insurance, $(2,216) aggregated. At September 30, 2025, the City and FEDC reported deferred outflows and inflows of resources related to OPEB from the following resources:

Retiree Health Insurance

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 210,602	$ 986,898
Changes of assumptions	393,130	741,302
Total	$ 603,732	$ 1,728,200

Deferred Outflows and Inflows - FEDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,298	$ 15,128
Changes of assumptions	8,023	20,141
Total	$ 12,321	$ 35,269

TMRS Supplemental Death

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 48,023	$ 195,769
Changes of assumptions	454,249	934,959
Benefit payments subsequent to the measurement date	11,229	—
Total	$ 513,501	$ 1,130,728

Deferred Outflows and Inflows - FEDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 980	$ 3,995
Changes of assumptions	9,271	19,079
Benefit payments subsequent to the measurement date	229	—
Total	$ 10,480	$ 23,074

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date of $11,458 will be recognized as a reduction of the total OPEB liability in the City and FEDC's financial statements as of September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Retiree Health Insurance

Fiscal Year	City	FEDC	Total
2026	$ (523,454)	$ (10,683)	$ (534,137)
2027	(486,924)	(9,937)	(496,861)
2028	(49,117)	(1,002)	(50,119)
2029	(71,208)	(1,453)	(72,661)
2030	(23,804)	(486)	(24,290)
Thereafter	30,039	613	30,652
Total	$ (1,124,468)	$ (22,948)	$ (1,147,416)

TMRS Supplemental Death

Fiscal Year	City	FEDC	Total
2026	$ (76,979)	$ (1,567)	$ (78,546)
2027	(91,655)	(1,871)	(93,526)
2028	(90,494)	(1,847)	(92,341)
2029	(112,236)	(2,291)	(114,527)
2030	(145,186)	(2,963)	(148,149)
Thereafter	(111,906)	(2,284)	(114,190)
Total	$ (628,456)	$ (12,823)	$ (641,279)

Allocation of OPEB Items
OPEB items are allocated between the City's governmental activities, City's business-type activities, and the FEDC on the basis of employee payroll funding. For the City's governmental activities, the total OPEB liability is liquidated by the General Fund and Hotel/Motel Tax Fund. For the City's business-type activities, the total OPEB liability is liquidated by the Water & Sewer Fund, Stormwater Drainage Fund, and Environmental Services Fund.

Note 12. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a participant in the Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of individual governmental units located within Texas. The government pays an annual premium to the Funds for its workers' compensation and property and liability insurance coverage. The WC Fund and Property-Liability Fund are considered self-sustaining risk pools that provide coverage for its members for up to $1,000,000 per event, and $2,000,000 in aggregate. There were no significant reductions in insurance coverage from the previous year. Settled claims for risk have not exceeded insurance coverage for the past three years.

During FY25, the City participated in a modified self-insurance program for Employee Benefits. Group medical benefits were administered by a third-party insurance provider. The City offers two plans with payroll deductions set aside to cover the monthly claims. The annually negotiated stop loss provision for 2025 was $250,000 per occurrence and 125% cap of claims.

The liabilities for insurance claims reported are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. The estimated claims incurred but not reported as of September 30, 2025 totaled $4,576,951, which are recorded as a liability in the General Fund accounts payable. Changes in the liability for the past three years:

Claim Year	Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability End of Year
2023 - Health Insurance	3,050,000	21,873,352	21,643,352	3,280,000
2024 - Health Insurance	3,280,000	22,263,297	21,993,297	3,550,000
2025 - Health Insurance	3,550,000	27,305,412	26,278,461	4,576,951

Note 13. Interfund Receivables and Payables

All interfund receivables and payables are considered short-term and, at September 30, 2025, consisted of the following:

	Due From			
Due to	General	CDBG	Debt Service	Total
General Fund	$ —	$ 205,298	$ —	$ 205,298
Capital Projects	—	8,852	7,239,352	7,248,204
Grant	20,397	—	—	20,397
Water and Sewer	—	—	2,000	2,000
Total	$ 20,397	$ 214,150	$ 7,241,352	$ 7,475,899

All balances resulted from the time lag between the dates that transactions are recorded in the accounting system and that payments between funds are made.

The City reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements.

	Transfers From						
Transfers to	General Fund	TIRZ #1	Capital Projects	Water and Sewer	Nonmajor Governmental	Nonmajor Proprietary	Total
General Fund	$ —	$ —	$ —	$ 5,026,208	$ 427,750	$ 1,385,667	$ 6,839,625
TIRZ #1	—	—	—	—	531,326	—	531,326
Capital projects	1,500,000	—	—	—	22,776,342	953,460	25,229,802
Debt service	—	18,082,118	998	—	6,525,659	—	24,608,775
Water and Sewer			4,674,731	—	—	738,627	5,413,358
Nonmajor governmental	182,786	—	4,463,933	—	—	—	4,646,719
Total	$ 1,682,786	$18,082,118	$ 9,139,662	$ 5,026,208	$ 30,261,077	$ 3,077,754	$67,269,605

Transfer from fund	Transfer to fund	Amount
General Fund:		
Grant matching funds	Grants	182,786
Capital outlay funding	Capital Projects	1,500,000
TIRZ #1 Fund:		
Debt service funding requirements	Debt Service	18,082,118
Capital Projects Fund:		
Capital outlay funding	TIRZ #7	4,463,933
Capital outlay funding	Water & Sewer Fund	4,674,731
Debt service funding requirements	Debt Service	998
Nonmajor Governmental Funds:		
G&A for Special revenue funds	General Fund	427,750
Debt service funding requirements	TIRZ #1	531,326
Debt service funding requirements	Debt Service	6,525,659
Capital outlay funding	Capital Projects	22,776,342
Proprietary Funds:		
G&A for Water & Sewer	General Fund	5,026,208
G&A for Environmental Services	General Fund	1,285,667
G&A for Stormwater Drainage	General Fund	100,000
G&A Stormwater Drainage	Water & Sewer Fund	100,000
G&A Environmental Services	Water & Sewer Fund	638,627
Capital outlay funding	Capital Projects	953,460
Total		$ 67,269,605

Note 14. Contingent Liabilities

The City has participated in state and federally assisted grant programs. These programs are subject to program compliance audits and adjustments by the grantor agencies or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

In June 2006, the North Texas Municipal Water District issued $35,235,000 in revenue bonds, series 2006. This bond issue is for the purpose of constructing the Panther Creek Wastewater System benefiting the City of Frisco. In March 2009, an additional $20,210,000 in revenue bonds, series 2009 was issued for expansion of the system. In 2014, an additional bond issue refunded a portion of the 2006 revenue bonds. In 2017, an additional bond issue refunded a portion of the 2009 revenue bonds. In May 2020, $5,200,000 in revenue bonds, series 2020, was issued for the design of the next expansion. In June 2025, 196,980,000 in revenue bonds, series 2025, was issued for expansion of the facility. The outstanding principal of the revenue bonds at September 30, 2025 is $208,685,000.

In 2015, the North Texas Municipal Water District issued bonds for the purpose of constructing the Stewart Creek West Regional Wastewater System. The outstanding principal of these bonds at September 30, 2025 is $39,305,000.

The City's contractual minimum payment is required to cover the full cost of service including the principal and interest payments incurred related to this debt. The City of Frisco is in full compliance with this agreement at September 30, 2025.

Monies Held in Escrow
The City collects and holds money from approved developer agreements and other private construction commitments assessed during the permitting process. The monies held in escrow are either refunded once the developer has completely fulfilled their commitment or applied to revenue to reimburse for the City's cost in completing the obligation.

Note 15. Litigation

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position.

Note 16. Component Unit Pollution Remediation Obligations

In FY 2021, the FCDC purchased the former battery recycling plant site and took over full ownership and remediation. At that time, the FCDC had worked with Texas Commission on Environmental Quality (TCEQ), external consultants and City staff to define the original estimated cost of remediation at $25 million based on the level of pollution present. In FY 2022, TCEQ deposited $25 million into a trust in the FCDC's name and dedicated to remediation. On January 3, 2024 TCEQ issued the FCDC a permit to begin the remediation. Work is ongoing and is expected to be completed over the next five fiscal years. In 2025, The City remeasured the liability using estimates from the City's external consultants based on the expected capital outlay. Future maintenance and operations will be funded by a $2 per cart, per month increase in garbage fees and a 2% increase in commercial fees. Any increases to remediation estimates will be funded by the FCDC. The remaining estimated liability as of September 30, 2025 is approximately $45.4 million.

FRISCO
PROGRESS IN MOTION

REQUIRED SUPPLEMENTARY INFORMATION

City of Frisco

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last 10 Years

	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total pension liability:					
Service cost	$ 12,146,969	$ 13,533,172	$ 14,945,284	$ 16,288,615	$ 17,366,021
Interest	12,134,224	13,102,946	14,856,079	16,872,785	18,927,503
Difference between expected and actual experience	(320,688)	1,645,340	3,176,149	1,087,595	1,034,411
Change in assumptions	(1,452,583)	—	—	—	713,574
Benefit payments, including refunds of employee contributions	(2,162,276)	(2,696,424)	(3,333,927)	(4,210,187)	(4,484,667)
Net change in total pension liability	$ 20,345,646	$ 25,585,034	$ 29,643,585	$ 30,038,808	33,556,842
Total pension liability - beginning	$168,353,704	$188,699,350	$214,284,384	$243,927,969	273,966,777
Total pension liability - ending (a)	$188,699,350	$214,284,384	$243,927,969	$273,966,777	$307,523,619
Plan fiduciary net position:					
Contributions - employer	$ 9,779,163	$ 10,375,914	$ 11,609,557	$ 12,628,932	$ 13,588,719
Contributions - employee	4,790,759	5,187,963	5,739,055	6,272,474	6,693,951
Net investment income	203,262	10,161,230	24,019,515	(6,331,968)	33,979,152
Benefit payments, including refunds of employee contributions	(2,162,276)	(2,696,424)	(3,333,927)	(4,210,187)	(4,484,667)
Administrative expense	(123,767)	(114,632)	(124,330)	(122,154)	(191,510)
Other	(6,113)	(6,176)	(6,302)	(6,380)	(5,754)
Net change in plan fiduciary net position	$ 12,481,028	$ 22,907,875	$ 37,903,568	$ 8,230,717	49,579,891
Plan fiduciary net position - beginning	$137,708,186	$150,189,214	$173,097,089	$211,000,657	219,231,374
Plan fiduciary net position - ending (b)	$150,189,214	$173,097,089	$211,000,657	$219,231,374	$268,811,265
Net pension liability - ending (a) - (b)	$ 38,510,136	$ 41,187,295	$ 32,927,312	$ 54,735,403	$ 38,712,354
Plan fiduciary net position as a percentage of total pension liability	79.59 %	80.78 %	86.50 %	80.02 %	87.41 %
Covered payroll	$ 68,433,626	$ 74,113,757	$ 81,936,863	$ 89,252,684	$ 95,627,868
Net pension liability as a percentage of covered payroll	56.27 %	55.57 %	40.19 %	61.33 %	40.48 %

Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
$ 18,245,043	$ 19,030,928	$ 21,098,272	$ 23,028,837	$ 25,673,918
21,202,716	23,277,359	25,653,262	28,463,269	31,801,808
(3,100,440)	(346,369)	3,099,398	6,078,660	6,992,509
—	—	—	448,256	—
(5,063,651)	(6,945,983)	(8,648,076)	(9,724,861)	(10,038,600)
31,283,668	35,015,935	41,202,856	48,294,161	54,429,635
307,523,619	338,807,287	373,823,222	415,026,078	463,320,239
$338,807,287	$373,823,222	$415,026,078	$463,320,239	$517,749,874
$ 13,926,984	$ 14,953,351	$ 16,331,343	$ 17,613,608	$ 19,364,556
6,942,714	7,289,969	8,035,744	8,734,633	9,463,433
20,459,865	39,869,679	(26,361,983)	40,610,685	42,401,618
(5,063,651)	(6,945,983)	(8,648,076)	(9,724,861)	(10,038,600)
(132,032)	(183,937)	(227,352)	(257,209)	(270,750)
(5,152)	1,260	271,299	(1,797)	(6,332)
36,128,728	54,984,339	(10,599,025)	56,975,059	60,913,925
268,811,265	304,939,993	359,924,332	349,325,307	406,300,366
$304,939,993	$359,924,332	$349,325,307	$406,300,366	$467,214,291
$ 33,867,294	$ 13,898,890	$ 65,700,771	$ 57,019,873	$ 50,535,583
90.00 %	96.28 %	84.17 %	87.69 %	90.24 %
$ 98,728,589	$103,036,970	$114,415,791	$124,682,386	$134,983,796
34.30 %	13.49 %	57.42 %	45.73 %	37.44 %

City of Frisco

Schedule of City Contributions
Texas Municipal Retirement System
Last 10 Fiscal Years

	2016	2017	2018	2019	2020
Actuarially determined contribution	$ 10,290,995	$ 11,367,240	$ 12,458,770	$ 13,445,761	$ 13,956,038
Contributions in relation to the actuarially determined contribution	10,290,995	11,367,240	12,458,770	13,445,761	13,956,038
Contribution deficiency/(excess)	—	—	—	—	—
Covered payroll	$ 64,421,645	$ 79,650,345	$ 87,320,494	$ 93,902,520	$ 98,020,196
Contributions as a percentage of covered payroll	15.97 %	14.27 %	14.27 %	14.32 %	14.24 %

Notes to Schedule of City Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110 % of Public Safety table used for males and the 100% General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other information:	
Notes	There were no benefit changes during the year.

2021	2022	2023	2024	2025
$ 14,757,433	$ 16,528,742	$ 17,512,729	$ 19,239,425	$ 22,320,112
14,757,433	16,528,742	17,512,729	19,239,425	22,320,112
—	—	—	—	—
$102,134,782	$114,746,860	$122,151,806	$132,760,472	$147,641,809
14.45 %	14.40 %	14.34 %	14.49 %	15.12 %

City of Frisco

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
TMRS Supplemental Death
Last 8 Years

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total OPEB liability:					
Service cost	$ 106,518	$ 133,879	$ 124,316	$ 177,711	$ 226,681
Interest	45,281	49,513	61,071	56,394	52,355
Differences between expected and actual experience	—	113,083	(179,892)	(72,166)	(43,921)
Change in assumptions	141,034	(132,188)	382,085	395,893	103,201
Benefit payments, including refunds of employee contributions	(8,194)	(8,925)	(9,563)	(9,873)	(20,607)
Net change in total OPEB liability	284,639	155,362	378,017	547,959	317,709
Total OPEB liability - beginning	1,148,737	1,433,376	1,588,738	1,966,755	2,514,714
Total OPEB liability - ending	$ 1,433,376	$ 1,588,738	$ 1,966,755	$ 2,514,714	$ 2,832,423
Covered-employee payroll	$81,936,863	$89,252,684	$95,627,868	$98,728,589	$103,036,970
Total OPEB liability as a percentage of covered-employee payroll	1.75 %	1.78 %	2.06 %	2.55 %	2.75 %

Valuation Date:	
Actuarial valuation date	December 31, 2024
Measurement date	December 31, 2024
Last experience study date	Period ending December 31, 2022
Methods and assumptions used to determine contribution rates:	
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate as of measurement date	4.08%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.
Changes in discount rate	The discount rate changed from 3.77% in the prior year to 4.08%
Other Information:	
Notes	There were no benefit changes during the year.

Notes to Schedule:
Historical data not available - GASB 75 implemented in FY 2018.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

City of Frisco

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
TMRS Supplemental Death
Last 8 Years

Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
$ 263,156	$ 137,151	$ 161,981
54,327	80,144	85,147
36,199	(23,749)	(74,826)
(1,234,240)	112,684	(141,352)
(22,883)	(37,405)	(40,495)
(903,441)	268,825	(9,545)
2,832,423	1,928,982	2,197,807
$ 1,928,982	$ 2,197,807	$ 2,188,262
$114,415,791	$124,682,386	$134,983,796
1.69 %	1.76 %	1.62 %

City of Frisco

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Retiree Health Insurance

Last 8 Years

	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total OPEB liability:					
Service cost	$ 344,784	$ 336,696	$ 510,603	$ 187,028	$ 178,478
Interest	161,496	203,940	164,355	48,012	44,448
Differences between expected and actual experience	—	(835,941)	(2,475,354)	339,178	(170,346)
Change in assumptions	(156,560)	977,496	(1,446,062)	(58,906)	(581,187)
Benefit payments, including refunds of employee contributions	20,225	18,495	(125,394)	(107,418)	(23,546)
Net change in total OPEB liability	369,945	700,686	(3,371,852)	407,894	(552,153)
Total OPEB liability - beginning	4,094,118	4,464,063	5,164,749	1,792,897	2,200,791
Total OPEB liability - ending	$ 4,464,063	$ 5,164,749	$ 1,792,897	$ 2,200,791	$ 1,648,638
Covered-employee payroll	$89,564,242	$96,215,258	$99,251,317	$103,704,002	$116,674,082
Total OPEB liability as a percentage of covered-employee payroll	4.98 %	5.37 %	1.81 %	2.12 %	1.41 %

Valuation Date:

Actuarial valuation date	October 1, 2024
Measurement date	September 30, 2025
Last experience study date	September 30, 2021

Methods and assumptions used to determine contribution rates:

Discount rate as of measurement date	4.50%
Discount rate for OPEB expense	4.06%
Mortality table	Pub-2010 Safety and General headcount-weighted mortality tables, with generational projection according to Scale MP-2021
Salary scale	Graded scale based on age and participant group
Plan participation rates	0% for retirements prior to age 50, 5% for retirements between ages 50-59, 25% for retirements at ages 60 and later.
Changes in discount rate	The discount rate changed from 4.06% in the prior year to 4.50%
Healthcare trend rate:	
Current rate (medcial/Rx)	5.80% / 8.80%
Ultimate rate (medical/Rx)	4.60% / 4.60%
Year ultimate rate is reached (medical/Rx)	2032 / 2049
Other Information:	
Notes	There were no benefit changes during the year.

Notes to Schedule:
Historical data not available - GASB 75 implemented in FY 2018.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

City of Frisco

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Retiree Health Insurance

Last 8 Years

Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
$ 116,171	$ 115,902	$ 177,134
69,654	76,239	85,355
(285,656)	(90,039)	90,626
68,593	360,240	(94,452)
(38,260)	(80,012)	(21,643)
(69,498)	382,330	237,020
1,648,638	1,579,140	1,961,470
$ 1,579,140	$ 1,961,470	$ 2,198,490
$124,659,002	$135,369,751	$149,980,448
1.27 %	1.45 %	1.47 %

FRISCO
PROGRESS IN MOTION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

FRISCO
PROGRESS IN MOTION

BUDGET TO ACTUAL COMPARISON
MAJOR FUNDS

City of Frisco

Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Intergovernmental	$ —	$ 24,896,433	$ 10,781,786	$ —	$ 10,781,786	$ (14,114,647)
Charges for services	4,033,983	5,280,267	327,408	—	327,408	(4,952,859)
Investment earnings	—	17,523,977	19,980,074	—	19,980,074	2,456,097
Contributions, donations and grants	25,000,000	57,689,323	27,218,995	—	27,218,995	(30,470,328)
Payments from component units	13,900,000	239,641,236	50,826,666	—	50,826,666	(188,814,570)
Miscellaneous	—	199,000	354,249	—	354,249	155,249
Total revenues	42,933,983	345,230,236	109,489,178	—	109,489,178	(235,741,058)
EXPENDITURES						
Capital outlay	149,061,023	782,190,311	280,070,156	(17,247,839)	262,822,317	519,367,994
Debt service	1,200,000	1,200,000	1,815,108	—	1,815,108	(615,108)
Total expenditures	150,261,023	783,390,311	281,885,264	(17,247,839)	264,637,425	518,752,886
Deficiency of revenues under expenditures	(107,327,040)	(438,160,075)	(172,396,086)	17,247,839	(155,148,247)	283,011,828
OTHER FINANCING SOURCES (USES)						
Issuance of debt	92,380,000	221,848,629	223,660,000	—	223,660,000	1,811,371
Premium on bonds issued	—	10,159,597	10,159,597	—	10,159,597	—
Discount on bonds issued	—	(878,226)	(878,226)	—	(878,226)	—
Proceeds from sale of asset	—	—	425,000	—	425,000	425,000
Transfers in	20,900,000	68,262,920	25,229,802	—	25,229,802	(43,033,118)
Transfers out	(4,033,983)	(3,833,911)	(9,139,662)	—	(9,139,662)	(5,305,751)
Total other financing sources (uses)	109,246,017	295,559,009	249,456,511	—	249,456,511	(46,102,498)
Net change in fund balance	1,918,977	(142,601,066)	77,060,425	17,247,839	94,308,264	236,909,330
Fund balance, beginning	161,348,929	466,007,005	466,007,002	(194,785,982)	271,221,020	(194,785,985)
Fund balance, ending	$ 163,267,906	$ 323,405,939	$ 543,067,427	$(177,538,143)	$ 365,529,284	$ 42,123,345

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2025

	Net Change in Fund Balance
GAAP basis	$ 77,060,425
Expenditures:	
Increase due to encumbrances from prior year	194,785,982
Decrease due to encumbrances from current year	(177,538,143)
Budgetary basis	$ 94,308,264

City of Frisco
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	$ 64,733,814	$ 68,290,601	$ 68,331,659	$ —	$ 68,331,659	$ 41,058
Investment earnings	100,000	1,200,000	1,395,252	—	1,395,252	195,252
Payments from component units	6,614,243	6,611,243	2,336,935	—	2,336,935	(4,274,308)
Total revenues	71,448,057	76,101,844	72,063,846	—	72,063,846	(4,037,998)
EXPENDITURES						
Debt service	98,503,796	96,575,050	97,095,629	—	97,095,629	(520,579)
Total expenditures	98,503,796	96,575,050	97,095,629	—	97,095,629	(520,579)
Deficiency of revenues under expenditures	(27,055,739)	(20,473,206)	(25,031,783)	—	(25,031,783)	(4,558,577)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	—	—	30,410,000	—	30,410,000	30,410,000
Premium on bonds issued	—	—	2,905,778	—	2,905,778	2,905,778
Payment to refunded debt escrow agent	—	—	(33,135,000)	—	(33,135,000)	(33,135,000)
Transfers in	24,607,777	24,940,499	24,608,775	—	24,608,775	(331,724)
Total other financing sources (uses)	24,607,777	24,940,499	24,789,553	—	24,789,553	(150,946)
Net change in fund balance	(2,447,962)	4,467,293	(242,230)	—	(242,230)	(4,709,523)
Fund balance, beginning	12,976,033	10,015,182	10,015,182	—	10,015,182	—
Fund balance, ending	$ 10,528,071	$ 14,482,475	$ 9,772,952	$ —	$ 9,772,952	$ (4,709,523)

FRISCO
PROGRESS IN MOTION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for certain purposes.

Hotel/Motel Tax Fund - This fund is used to account for revenues specifically restricted to encourage tourism, historical preservation and promote the City of Frisco.

Panther Creek Public Improvement District (PID) - This fund was established to account for assessments charged to property owners of the Panther Creek Estates.

Grants Fund - This fund is established to account for grants awarded to the City of Frisco in the governmental funds.

CDBG Fund - This fund was created to account for the Community Development Block Grant program revenues and expenditures.

Traffic Control Enforcement Fund - This fund was established to account for the automated red light enforcement system implemented by the City.

TIRZ #5 - This fund was established to account for the property taxes and sales taxes collected within the tax increment reinvestment zone #5.

TIRZ #6 - This fund was established to account for the property taxes and sales taxes collected within the tax increment reinvestment zone #6.

TIRZ #7 - This fund was established to account for the property taxes and sales taxes collected within the tax increment reinvestment zone #7.

Court Fees Fund - This fund was established to account for special fees collected in the Municipal Court including the technology fees, building security fees and court improvement fees.

PEG Cable Fund - This fund was established to account for franchise fees collected for the Public Educational & Governmental Television production.

Capital Projects Funds

Road Impact Fees Fund - This fund accounts for the collection of impact fees, which are transferred to the Capital Projects Fund or Debt Service Fund as needed to fund infrastructure.

Park Development Fees Fund - This fund accounts for the collection of park dedication fees, which are transferred to the Capital Projects Fund as needed to fund park development and infrastructure.

City of Frisco
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue				
	Hotel/Motel Tax	Panther Creek PID	Grants	CDBG	Traffic Control Enforcement
ASSETS					
Cash and cash equivalents	$ 10,743,142	$ 45,634	$ 1,208,213	$ —	$ 12,987
Investments	5,011,133	—	—	—	—
Receivables: (net of allowances for uncollectibles)					
Franchise tax	—	—	—	—	—
Occupancy tax	1,355,321	—	—	—	—
Grants	—	—	472,614	235,178	—
Other	67,245	—	—	—	—
Due from other funds	—	—	20,397	—	—
Leases receivables	259,001	—	—	—	—
Prepaids	92,935	—	—	—	—
Total assets	17,528,777	45,634	1,701,224	235,178	12,987
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCES					
Liabilities:					
Accounts payable	1,402,493	45,634	20,939	11,028	—
Retainage payable	—	—	—	10,000	—
Accrued liabilities	71,842	—	—	—	—
Unearned revenue	—	—	1,680,285	—	—
Monies held in escrow	—	—	—	—	—
Due to other funds	—	—	—	214,150	—
Total liabilities	1,474,335	45,634	1,701,224	235,178	—
Deferred inflows of resources:					
Leases related	250,338	—	—	—	—
FUND BALANCES					
Nonspendable	92,935	—	—	—	—
Restricted	15,711,169	—	—	—	12,987
Total fund balances	15,804,104	—	—	—	12,987
Total liabilities and fund balances	$ 17,528,777	$ 45,634	$ 1,701,224	$ 235,178	$ 12,987

					Capital Projects		
TIRZ #5	TIRZ #6	TIRZ #7	Court Fees	PEG Cable	Road Impact Fees	Park Development Fees	Total Nonmajor Governmental Funds
$ 3,178,729	$ 1,756,584	$ 2,972,796	$ 186,313	$ 306,423	$ 39,132,038	$ 22,044,486	$ 81,587,345
—	—	—	—	1,085,868	5,003,980	3,511,484	14,612,465
—	—	—	—	57,454	—	—	57,454
—	—	—	—	—	—	—	1,355,321
—	—	—	—	—	—	—	707,792
—	—	—	—	5,328	44,271	7,155	123,999
—	—	—	—	—	—	—	20,397
—	—	—	—	—	—	—	259,001
—	—	—	—	—	—	—	92,935
$ 3,178,729	$ 1,756,584	$ 2,972,796	$ 186,313	$ 1,455,073	$ 44,180,289	$ 25,563,125	$ 98,816,709
—	—	—	4,256	12,008	2,878,278	—	4,374,636
—	—	—	—	—	—	—	10,000
—	—	—	—	—	—	—	71,842
—	—	—	—	—	—	—	1,680,285
—	—	2,000,000	—	—	9,232,580	—	11,232,580
—	—	—	—	—	—	—	214,150
—	—	2,000,000	4,256	12,008	12,110,858	—	17,583,493
—	—	—	—	—	—	—	250,338
—	—	—	—	—	—	—	92,935
3,178,729	1,756,584	972,796	182,057	1,443,065	32,069,431	25,563,125	80,889,943
3,178,729	1,756,584	972,796	182,057	1,443,065	32,069,431	25,563,125	80,982,878
$ 3,178,729	$ 1,756,584	$ 2,972,796	$ 186,313	$ 1,455,073	$ 44,180,289	$ 25,563,125	$ 98,816,709

City of Frisco

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	Special Revenue				
	Hotel/Motel Tax	Panther Creek PID	Grants	CDBG	Traffic Control Enforcement
REVENUES					
Property tax	$ —	$ —	$ —	$ —	$ —
Sales tax	—	—	—	—	—
Franchise tax	—	—	—	—	—
Hotel/motel tax	14,139,867	—	—	—	—
Special assessments	—	—	—	—	—
Fines	—	—	—	—	—
Intergovernmental	4,884,428	—	—	—	—
Charges for services	79,728	—	—	—	—
Contributions, donations and grants	7,635	—	1,523,849	1,445,342	—
Rents	5,996	—	—	—	—
Investment earnings	751,702	—	—	—	2
Payments from component units	—	—	—	—	—
Miscellaneous	833,643	—	—	46,920	—
Total revenues	20,702,999	—	1,523,849	1,492,262	2
EXPENDITURES					
Current:					
General government	—	—	70,401	468,771	—
Public safety	—	—	1,194,874	—	—
Public works	—	—	189,401	—	—
Culture and recreation	15,714,724	—	—	—	—
Capital outlay	—	—	251,959	1,023,491	6,240
Debt Service:					
Principal retirement	1,250	—	—	—	—
Interest and fiscal charges	75	—	—	—	—
Total expenditures	15,716,049	—	1,706,635	1,492,262	6,240
Excess (deficiency) of revenues over (under) expenditures	4,986,950	—	(182,786)	—	(6,238)
OTHER FINANCING SOURCES (USES)					
Lease financing	—	—	—	—	—
SBITA financing	—	—	—	—	—
Transfers in	—	—	182,786	—	—
Transfers out	(1,938,469)	—	—	—	—
Total other financing sources (uses)	(1,938,469)	—	182,786	—	—
Net change in fund balances	3,048,481	—	—	—	(6,238)
Fund balances, beginning	12,755,623	—	—	—	19,225
Fund balances, ending	$ 15,804,104	$ —	$ —	$ —	$ 12,987

					Capital Projects		
TIRZ #5	TIRZ #6	TIRZ #7	Court Fees	PEG Cable	Road Impact Fees	Park Development Fees	Total Nonmajor Governmental Funds
$ 1,828,998	$ 944,651	$ 264,720	$ —	$ —	$ —	$ —	$ 3,038,369
508,366	3,188	—	—	—	—	—	511,554
—	—	—	—	168,722	—	—	168,722
—	—	—	—	—	—	—	14,139,867
—	—	—	—	—	4,458,269	4,404,087	8,862,356
—	—	—	202,388	—	—	—	202,388
—	—	—	—	—	—	—	4,884,428
—	—	—	—	—	—	—	79,728
—	—	—	—	—	—	—	2,976,826
—	—	—	—	—	—	—	5,996
90,122	42,901	56,649	7,875	64,292	1,744,967	1,189,982	3,948,492
—	208,066	—	—	—	—	—	208,066
—	—	—	67,342	27,877	—	—	975,782
2,427,486	1,198,806	321,369	277,605	260,891	6,203,236	5,594,069	40,002,574
—	—	—	—	—	—	—	539,172
—	—	—	—	—	—	—	1,194,874
—	—	—	—	—	—	—	189,401
—	—	—	—	—	—	—	15,714,724
—	—	—	—	455,570	—	—	1,737,260
—	—	—	170,679	30,956	—	—	202,885
—	—	—	—	—	—	—	75
—	—	—	170,679	486,526	—	—	19,578,391
2,427,486	1,198,806	321,369	106,926	(225,635)	6,203,236	5,594,069	20,424,183
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	4,463,933	—	—	—	—	4,646,719
(1,270,274)	(208,066)	(3,983,926)	(84,000)	—	(3,752,650)	(19,023,692)	(30,261,077)
(1,270,274)	(208,066)	480,007	(84,000)	—	(3,752,650)	(19,023,692)	(25,614,358)
1,157,212	990,740	801,376	22,926	(225,635)	2,450,586	(13,429,623)	(5,190,175)
2,021,517	765,844	171,420	159,131	1,668,700	29,618,845	38,992,748	86,173,053
$ 3,178,729	$ 1,756,584	$ 972,796	$ 182,057	$ 1,443,065	$ 32,069,431	$ 25,563,125	$ 80,982,878

City of Frisco

Hotel/Motel Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Hotel/motel tax	$ 13,276,938	$ 13,512,127	$ 14,139,867	$ —	$ 14,139,867	$ 627,740
Intergovernmental		—	4,884,428	—	4,884,428	4,884,428
Charges for service	676,442	676,442	79,728	—	79,728	(596,714)
Contributions	—	28,000	7,635	—	7,635	(20,365)
Rents	—	—	5,996	—	5,996	5,996
Investment earnings	120,000	120,000	751,702	—	751,702	631,702
Payments from component units	—	—	—	—	—	—
Miscellaneous	32,125	4,125	833,643	—	833,643	829,518
Total revenues	14,105,505	14,340,694	20,702,999	—	20,702,999	6,362,305
EXPENDITURES						
Current:						
Culture and recreation	8,901,214	10,223,849	15,714,724	(87,430)	15,627,294	(5,403,445)
Debt Service:						
Principal retirement	—	—	1,250	—	1,250	(1,250)
Interest and fiscal charges	—	—	75	—	75	(75)
Total expenditures	8,901,214	10,223,849	15,716,049	(87,430)	15,628,619	(5,404,770)
Excess (deficiency) of revenues over (under) expenditures	5,204,291	4,116,845	4,986,950	87,430	5,074,380	957,535
OTHER FINANCING USES						
Lease financing	—	—	—	—	—	—
Transfers out	(1,844,719)	(1,938,765)	(1,938,469)	—	(1,938,469)	296
Total other financing sources (uses)	(1,844,719)	(1,938,765)	(1,938,469)	—	(1,938,469)	296
Net change in fund balance	3,359,572	2,178,080	3,048,481	87,430	3,135,911	957,831
Fund balance, beginning	15,060,058	12,755,625	12,755,623	(87,430)	12,668,193	(87,432)
Fund balance, ending	$ 18,419,630	$ 14,933,705	$ 15,804,104	$ —	$ 15,804,104	$ 870,399

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2025

	Net Change in Fund Balance
GAAP basis	3,048,481
Expenditures:	
Increase due to encumbrances from prior year	87,430
Decrease due to encumbrances for current year	—
Budgetary basis	$ 3,135,911

City of Frisco

Panther Creek PID Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ —	$ 1,713	$ —	$ —	$ —	$ (1,713)
Investment earnings	—	1,796	—	—	—	(1,796)
Total revenues	—	3,509	—	—	—	(3,509)
Net change in fund balance	—	3,509	—	—	—	(3,509)
Fund balance, beginning	26,325	41,962	—	—	—	41,962
Fund balance, ending	$ 26,325	$ 45,471	$ —	$ —	$ —	$ (45,471)

City of Frisco

Grants Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Grant income	$ 702,471	$ 2,282,577	$ 1,523,849	$ —	$ 1,523,849	$ (758,728)
Total revenues	702,471	2,282,577	1,523,849	—	1,523,849	(758,728)
EXPENDITURES						
Current:						
General government	—	101,362	70,401	(13,036)	57,365	43,997
Public safety	881,493	1,977,040	1,194,874	79,281	1,274,155	702,885
Public works	—	207,066	189,401	—	189,401	17,665
Capital outlay	—	251,959	251,959	(14,847)	237,112	14,847
Total expenditures	881,493	2,537,427	1,706,635	51,398	1,758,033	779,394
Excess (deficiency) of revenues over (under) expenditures	(179,022)	(254,850)	(182,786)	(51,398)	(234,184)	20,666
OTHER FINANCING SOURCES (USES)						
Transfers in	179,022	254,850	182,786	—	182,786	(72,064)
Total other financing sources (uses)	179,022	254,850	182,786	—	182,786	(72,064)
Net change in fund balance	—	—	—	(51,398)	(51,398)	(51,398)
Fund balance, beginning	—	—	—	(104,158)	(104,158)	(104,158)
Fund balance, ending	$ —	$ —	$ —	$ (155,556)	$ (155,556)	$ (155,556)

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2025

	Net Change in Fund Balance
GAAP basis	$ —
Expenditures:	
Increase due to encumbrances from prior year	104,158
Decrease due to encumbrances for current year	(155,556)
Budgetary basis	$ (51,398)

City of Frisco

CDBG Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Grant income	$ 1,567,100	$ 1,875,123	$ 1,445,342	$ —	$ 1,445,342	$ (429,781)
Miscellaneous	13,000	13,000	46,920	—	46,920	33,920
Total revenues	1,580,100	1,888,123	1,492,262	—	1,492,262	(395,861)
EXPENDITURES						
Current						
General government	1,580,100	1,888,123	468,771	24,238	493,009	1,395,114
Capital outlay	—	—	1,023,491	—	1,023,491	(1,023,491)
Total expenditures	1,580,100	1,888,123	1,492,262	24,238	1,516,500	371,623
Excess (deficiency) of revenues over (under) expenditures	—	—	—	(24,238)	(24,238)	(24,238)
Net change in fund balance	—	—	—	(24,238)	(24,238)	(24,238)
Fund balance, beginning	—	—	—	—	—	—
Fund balance, ending	$ —	$ —	$ —	$ (24,238)	$ (24,238)	$ (24,238)

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2025

	Net Change in Fund Balance
GAAP basis	$ —
Expenditures:	
Increase due to encumbrances from prior year	—
Decrease due to encumbrances for current year	(24,238)
Budgetary basis	$ (24,238)

City of Frisco

Traffic Control Enforcement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Investment earnings	$ —	$ —	$ 2	$ —	$ 2	$ 2
Total revenues	—	—	2	—	2	2
EXPENDITURES						
Current						
Public safety	20,480	6,240	—	—	—	6,240
Capital outlay	—	—	6,240	—	6,240	(6,240)
Total expenditures	20,480	6,240	6,240	—	6,240	$ —
Net change in fund	(20,480)	(6,240)	(6,238)	—	(6,238)	(2)
Fund balance, beginning	20,480	19,225	19,225	—	19,225	—
Fund balance, ending	$ —	$ 12,985	$ 12,987	$ —	$ 12,987	$ 2

City of Frisco

TIRZ #5 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Property tax	$ 1,844,566	$ 1,844,566	$ 1,828,998	$ —	$ 1,828,998	$ (15,568)
Sales tax	500,000	390,000	508,366	—	508,366	118,366
Investment earnings	24,000	24,000	90,122	—	90,122	66,122
Total revenues	2,368,566	2,258,566	2,427,486	—	2,427,486	168,920
OTHER FINANCING SOURCES (USES)						
Transfers out	(1,270,274)	(1,270,274)	(1,270,274)	—	(1,270,274)	—
Total other financing sources (uses)	(1,270,274)	(1,270,274)	(1,270,274)	—	(1,270,274)	—
Net change in fund balance	1,098,292	988,292	1,157,212	—	1,157,212	168,920
Fund balance, beginning	2,007,493	2,021,517	2,021,517	—	2,021,517	—
Fund balance, ending	$ 3,105,785	$ 3,009,809	$ 3,178,729	$ —	$ 3,178,729	$ 168,920

City of Frisco
TIRZ #6 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Property tax	$ 944,656	$ 944,656	$ 944,651	$ —	$ 944,651	$ (5)
Sales tax	—	286,682	3,188	—	3,188	(283,494)
Interest income	1,000	1,000	42,901	—	42,901	41,901
Payments from component units	208,066	208,066	208,066	—	208,066	—
Total revenues	1,153,722	1,440,404	1,198,806	—	1,198,806	(241,598)
OTHER FINANCING SOURCES (USES)						
Transfers out	(208,066)	(208,066)	(208,066)	—	(208,066)	—
Total other financing sources (uses)	(208,066)	(208,066)	(208,066)	—	(208,066)	—
Net change in fund balance	945,656	1,232,338	990,740	—	990,740	(241,598)
Fund balance, beginning	756,935	765,844	765,844	—	765,844	—
Fund balance, ending	$ 1,702,591	$ 1,998,182	$ 1,756,584	$ —	$ 1,756,584	$ (241,598)

City of Frisco
TIRZ #7 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Property tax	$ 264,867	$ 264,867	$ 264,720	$ —	$ 264,720	$ (147)
Interest income	600	600	56,649	—	56,649	56,049
Total revenues	265,467	265,467	321,369	—	321,369	55,902
OTHER FINANCING SOURCES (USES)						
Transfers in	4,033,983	4,033,983	4,463,933		4,463,933	429,950
Transfers out	(3,983,926)	(3,983,926)	(3,983,926)	—	(3,983,926)	—
Total other financing sources (uses)	50,057	50,057	480,007	—	480,007	429,950
Net change in fund balance	315,524	315,524	801,376	—	801,376	485,852
Fund balance, beginning	171,296	171,420	171,420	—	171,420	—
Fund balance, ending	$ 486,820	$ 486,944	$ 972,796	$ —	$ 972,796	$ 485,852

City of Frisco

Court Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments - Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Fines	$ 150,000	$ 147,706	$ 202,388	$ —	$ 202,388	$ 54,682
Investment earnings	6,400	8,142	7,875	—	7,875	(267)
Miscellaneous	—	1,045	67,342	—	67,342	66,297
Total revenues	156,400	156,893	277,605	—	277,605	120,712
EXPENDITURES						
Current:						
General government	116,207	116,207	—	—	—	116,207
Debt Service:						
Principal retirement	—	—	170,679	—	170,679	(170,679)
Total expenditures	116,207	116,207	170,679	—	170,679	(54,472)
Excess (deficiency) of revenues over (under) expenditures	40,193	40,686	106,926	—	106,926	66,240
OTHER FINANCING SOURCES (USES)						
Transfers out	(84,000)	(90,000)	(84,000)	—	(84,000)	6,000
Total other financing sources (uses)	(84,000)	(90,000)	(84,000)	—	(84,000)	6,000
Net change in fund balance	(43,807)	(49,314)	22,926	—	22,926	72,240
Fund balance, beginning	117,785	159,131	159,131	—	159,131	—
Fund balance, ending	$ 73,978	$ 109,817	$ 182,057	$ —	$ 182,057	$ 72,240

City of Frisco

PEG Cable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments - Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Franchise	$ 144,467	$ 144,467	$ 168,722	$ —	$ 168,722	$ 24,255
Investment earnings	40,000	40,000	64,292	—	64,292	24,292
Miscellaneous	—	—	27,877	—	27,877	27,877
Total revenues	184,467	184,467	260,891	—	260,891	76,424
EXPENDITURES						
Current:						
General government	—	3,089	—	—	—	3,089
Capital outlay	21,262	648,428	455,570	(16,992)	438,578	209,850
Debt Service:						
Principal retirement	—	—	30,956	—	30,956	(30,956)
Total expenditures	21,262	651,517	486,526	(16,992)	469,534	181,983
Deficiency of revenues under expenditures	163,205	(467,050)	(225,635)	16,992	(208,643)	(105,559)
Net change in fund balance	163,205	(467,050)	(225,635)	16,992	(208,643)	(105,559)
Fund balance, beginning	1,176,794	1,668,701	1,668,700	(203,506)	1,465,194	203,507
Fund balance, ending	$ 1,339,999	$ 1,201,651	$ 1,443,065	$ (186,514)	$ 1,256,551	$ 54,900

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2025

	Net Change in Fund Balance
GAAP basis	$ (225,635)
Expenditures:	
Increase due to encumbrances from prior year	203,506
Decrease due to encumbrances for current year	(186,514)
Budgetary basis	$ (208,643)

City of Frisco

Road Impact Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments - Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ —	$ —	$ 4,458,269	$ —	$ 4,458,269	$ 4,458,269
Investment earnings	—	1,630,220	1,744,967	—	1,744,967	114,747
Total revenues	—	1,630,220	6,203,236	—	6,203,236	4,573,016
OTHER FINANCING SOURCES (USES)						
Transfers out	—	(29,582,814)	(3,752,650)	—	(3,752,650)	25,830,164
Total other financing sources (uses)	—	(29,582,814)	(3,752,650)	—	(3,752,650)	25,830,164
Net change in fund balance	—	(27,952,594)	2,450,586	—	2,450,586	30,403,180
Fund balance, beginning	656,342	29,618,844	29,618,845	—	29,618,845	1
Fund balance, ending	$ 656,342	$ 1,666,250	$32,069,431	$ —	$32,069,431	$30,403,181

City of Frisco

Park Development Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments - Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ —	$ —	$ 4,404,087	$ —	$ 4,404,087	$ 4,404,087
Investment earnings	—	1,138,841	1,189,982	—	1,189,982	51,141
Total revenues	—	1,138,841	5,594,069	—	5,594,069	4,455,228
OTHER FINANCING SOURCES (USES)						
Transfers out	(15,000,000)	(33,780,106)	(19,023,692)	—	(19,023,692)	14,756,414
Total other financing sources (uses)	(15,000,000)	(33,780,106)	(19,023,692)	—	(19,023,692)	14,756,414
Net change in fund balance	(15,000,000)	(32,641,265)	(13,429,623)	—	(13,429,623)	19,211,642
Fund balance, beginning	22,299,454	38,992,749	38,992,748	—	38,992,748	(1)
Fund balance, ending	$ 7,299,454	$ 6,351,484	$25,563,125	$ —	$25,563,125	$19,211,641

FRISCO
PROGRESS IN MOTION

NONMAJOR PROPRIETARY FUNDS

Proprietary funds charge customers directly for certain services provided.

Stormwater Drainage Fund - This fund is used to account for revenues specifically collected to accomplish the goals set by the Municipal Separate Stormwater System Plan.

Environmental Services Fund - This fund accounts for the collection and disposal fees of solid waste and recycling services.

City of Frisco

Combining Statement of Net Position
Nonmajor Proprietary Fund Financial Statements
September 30, 2025

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 8,776,702	$ 12,063,154	$ 20,839,856
Investments	501,113	—	501,113
Receivables: (net of allowances for uncollectibles)			
Other	6,086	60,237	66,323
Total current assets	9,283,901	12,123,391	21,407,292
Noncurrent assets			
Capital assets:			
Buildings and improvements	—	147,742	147,742
Improvements other than buildings	—	92,190	92,190
Machinery and equipment	2,133,294	871,520	3,004,814
Accumulated depreciation	(1,544,356)	(821,827)	(2,366,183)
Total capital assets (net of accumulated depreciation)	588,938	289,625	878,563
Total noncurrent assets	588,938	289,625	878,563
Total assets	9,872,839	12,413,016	22,285,855
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	297,088	297,088	594,176
OPEB items	11,399	11,399	22,798
Total deferred outflows of resources	308,487	308,487	616,974

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 116,610	$ 1,584,515	$ 1,701,125
Accrued liabilities	57,427	62,762	120,189
Monies held in escrow	27,116	—	27,116
Compensated absences	152,257	173,916	326,173
Total current liabilities	353,410	1,821,193	2,174,603
Noncurrent liabilities:			
Compensated absences	125,298	272,598	397,896
Pension	505,356	505,356	1,010,712
OPEB	43,867	43,867	87,734
Total noncurrent liabilities	674,521	821,821	1,496,342
Total liabilities	1,027,931	2,643,014	3,670,945
DEFERRED INFLOWS OF RESOURCES			
Pension items	68,665	68,665	137,330
OPEB items	29,173	29,173	58,346
Total deferred inflows of resources	97,838	97,838	195,676
NET POSITION			
Net investment in capital assets	588,938	289,625	878,563
Unrestricted	8,466,619	9,691,026	18,157,645
Total net position	$ 9,055,557	$ 9,980,651	$ 19,036,208

FRISCO
PROGRESS IN MOTION

City of Frisco

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Fund Financial Statements
For the Year Ended September 30, 2025

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
OPERATING REVENUES			
Charges for sales and services:			
Sanitation charges	$ —	$ 32,298,138	$ 32,298,138
Stormwater drainage fees	6,810,928	—	6,810,928
Miscellaneous	—	121,941	121,941
Total operating revenues	6,810,928	32,420,079	39,231,007
OPERATING EXPENSES			
Cost of sales and services	—	23,157,430	23,157,430
Administration	3,514,577	4,993,245	8,507,822
Depreciation	180,895	72,479	253,374
Total operating expenses	3,695,472	28,223,154	31,918,626
Operating income	3,115,456	4,196,925	7,312,381
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	355,524	483,652	839,176
Contributions and grants	—	501	501
Gain on sale of equipment	—	7,700	7,700
Total non-operating revenues	355,524	491,853	847,377
Income before Transfers	3,470,980	4,688,778	8,159,758
TRANSFERS			
Transfers out	(1,153,458)	(1,924,296)	(3,077,754)
Total transfers	(1,153,458)	(1,924,296)	(3,077,754)
Change in net position	2,317,522	2,764,482	5,082,004
Net position, beginning	6,738,035	7,216,169	13,954,204
Net position, ending	$ 9,055,557	$ 9,980,651	$ 19,036,208

City of Frisco

Combining Statement of Cash Flows
Nonmajor Proprietary Fund Financial Statements
For the Year Ended September 30, 2025

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 6,827,304	$ 32,298,138	$ 39,125,442
Cash payments to suppliers for goods and services	(1,184,680)	(25,307,254)	(26,491,934)
Cash payments to employees for services	(2,266,779)	(2,500,237)	(4,767,016)
Other receipts	—	121,941	121,941
Net cash provided by operating activities	3,375,845	4,612,588	7,988,433
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers made to other funds	—	(1,924,296)	(1,924,296)
Contributions	—	501	501
Net cash provided (used) by noncapital financing activities	—	(1,923,795)	(1,923,795)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(218,027)	(16,223)	(234,250)
Proceeds from sale or transfer of equipment	—	7,700	7,700
Transfers made to other funds for capital construction	(1,153,459)	—	(1,153,459)
Net cash used in capital and related financing activities	(1,371,486)	(8,523)	(1,380,009)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(499,879)	—	(499,879)
Proceeds from sale and maturities of investment securities	482,961	—	482,961
Interest on investments	351,469	483,651	835,120
Net cash provided by investing activities	334,551	483,651	818,202
Net increase in cash and cash equivalents	2,338,910	3,163,921	5,502,831
Cash and cash equivalents, beginning	6,437,792	8,899,233	15,337,025
Cash and cash equivalents, ending	$ 8,776,702	$ 12,063,154	$ 20,839,856

	Business-type Activities Enterprise Fund		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 3,115,456	$ 4,196,925	$ 7,312,381
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	180,895	72,479	$ 253,374
Change in assets and liabilities:			
(Increase) decrease in-			
Receivables - utility bills	16,376	—	16,376
Receivables - other	—	74,088	74,088
Pension deferred outflow of resources	21,834	21,834	43,668
OPEB deferred outflow of resources	2,836	2,836	5,672
Increase (decrease) in-			
Accounts payable	25,550	185,155	210,705
Accrued liabilities	10,551	12,073	22,624
Liability for compensated absences	18,677	63,528	82,205
Pension deferred inflow of resources	53,091	53,091	106,182
OPEB deferred inflow of resources	(6,853)	(6,853)	(13,706)
Net pension liability	(64,843)	(64,843)	(129,686)
OPEB liability	2,275	2,275	4,550
Total adjustments	260,389	415,663	676,052
Net cash provided by operating activities	$ 3,375,845	$ 4,612,588	$ 7,988,433

FRISCO
PROGRESS IN MOTION

COMPONENT UNITS

Component Units are presented as legally separate reporting entities with dedicated revenue streams to fund specific projects and purposes.

Community Development Fund - The FCDC benefits the City and its citizens by developing recreational resources. It operates primarily within the geographic boundaries of the City and funding is derived from a half cent sales tax.

Economic Development Fund - FEDC benefits the City and its citizens by developing economic resources. Funding for this organization is derived from a half cent sales tax.

Charitable Foundation Fund - The Charitable Foundation benefits the City and its citizens through developing resources for recreational, cultural arts, senior adult and other related community development needs. Funding is derived from contributions.

City of Frisco
Combining Balance Sheet
Component Units
September 30, 2025

	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Total Component Units
ASSETS				
Cash and cash equivalents	$ 239,443,814	$ 48,241,547	$ 61,756	$ 287,747,117
Investments	29,940,208	34,978,811	—	64,919,019
Receivables: (net of allowances for uncollectible)				
Sales tax	5,967,979	5,967,979	—	11,935,958
Leases receivables	15,817	7,974	—	23,791
PPP receivables	129,663	—	—	129,663
Other	198,453	236,301	—	434,754
Prepaids	—	182,383	—	182,383
Land held for resale	20,461,590	36,051,721	—	56,513,311
Restricted assets:				
Cash and cash equivalents	45,040,087	2,605,821	—	47,645,908
Investments	—	1,800,000	—	1,800,000
Total assets	341,197,611	130,072,537	61,756	471,331,904
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	1,983,758	1,937,080	1,940	3,922,778
Accrued liabilities	2,967	62,618	—	65,585
Deposits	—	25,000	—	25,000
Total liabilities	1,986,725	2,024,698	1,940	4,013,363
Deferred inflows of resources:				
Lease related	15,470	7,999	—	23,469
PPP related	123,568	—	—	123,568
Total deferred inflows of resources	139,038	7,999	—	147,037
Fund balances:				
Nonspendable:				
Prepaid expenses	—	182,383	—	182,383
Land held for resale	20,461,590	36,051,721	—	56,513,311
Restricted for:				
Capital projects for future construction	15,831,462	4,405,821	—	20,237,283
Assigned for:				
Capital projects for future construction	156,106,898	—	—	156,106,898
Pollution remediation	34,854,923	—	—	34,854,923
Unassigned	111,816,975	87,399,915	59,816	199,276,706
Total fund balances	339,071,848	128,039,840	59,816	467,171,504
Total liabilities and fund balances	$ 341,197,611	$ 130,072,537	$ 61,756	$ 471,331,904

City of Frisco

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Component Units
For the Year Ended September 30, 2025

REVENUES	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Total Components Units
Sales tax	$ 35,643,847	$ 35,643,847	$ —	$ 71,287,694
Investment earnings	12,617,923	4,055,978	3,014	16,676,915
Contributions	90,000	44,434	70,105	204,539
Charges for Services	—	—	—	—
Rents	228,524	73,325	—	301,849
Payments from primary government	7,559,425	1,483,449	25,000	9,067,874
Miscellaneous	55,352	—	—	55,352
Total Revenues	56,195,071	41,301,033	98,119	97,594,223
EXPENDITURES				
Current:				
General government	10,258,874	32,763,276	—	43,022,150
Public works	11,712,686	—	—	11,712,686
Culture and recreation	37,437,596	—	85,601	37,523,197
Capital outlay	1,071,642	7,952,177	—	9,023,819
Debt service:				
Principal retirement	3,340,000	3,060,766	—	6,400,766
Interest and fiscal charges	9,849,980	899,840	—	10,749,820
Total expenditures	73,670,778	44,676,059	85,601	118,432,438
Excess (deficiency) of revenues over (under) expenditures	(17,475,707)	(3,375,026)	12,518	(20,838,215)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	195,832,592	—	—	195,832,592
Lease financing	—	6,180,275	—	6,180,275
Proceeds from sales of assets	17,480,175	—	—	17,480,175
Total other financing sources	213,312,767	6,180,275	—	219,493,042
Net change in fund balances	195,837,060	2,805,249	12,518	198,654,827
Fund balances, beginning	143,234,788	125,234,591	47,298	268,516,677
Fund balances, ending	$ 339,071,848	$ 128,039,840	$ 59,816	$ 467,171,504

City of Frisco

Reconciliation of the Combining Balance Sheet of Component Units to the Statement of Net Position
September 30, 2025

Total fund balances per balance sheet		$ 467,171,504
Amounts reported for component unit activities in the statement of position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		91,975,713
Deferred outflow of resources are not financial resources and, therefore, are not reported at the fund level.		648,133
Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Bonds payable, net	261,920,827	
Pollution remediation obligations	45,404,666	
Accrued interest payable	1,604,991	
Leases payable	5,907,807	
Compensated absences	353,013	
Net pension liability & related deferred inflows	1,148,042	
Total OPEB liability & related deferred inflows	146,079	
Total long-term liabilities		(316,485,425)
Total net position - component units		$ 243,309,925

City of Frisco

Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Component Units to the Statement of Activities
For the year ended September 30, 2025

Net change in fund balances - total component units	$ 198,654,827
Amounts reported for component units in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	8,134,494
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations) to decrease net position.	(9,562,830)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In addition, certain long-term obligations, including pollution remediation liabilities, are reported only in the statement of activities. Expenditures reported in governmental funds that reduce these liabilities are reported as reductions of long-term liabilities at the government-wide level. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(183,899,414)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(23,658,205)
Change in net position of component units	$ (10,331,128)

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Frisco's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	142
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	153
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	162
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	168
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	170
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Frisco
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	$ 1,051,389,064	$ 1,123,429,533	$ 1,215,381,073	$ 1,315,371,557
Restricted	62,763,394	69,106,670	71,803,680	77,158,120
Unrestricted	43,272,641	45,371,848	48,218,988	54,966,379
Total governmental activities net position	1,157,425,099	1,237,908,051	1,335,403,741	1,447,496,056
Business-type activities				
Net investment in capital assets	249,009,918	271,084,999	306,888,683	330,734,056
Restricted	29,954,906	31,907,294	32,201,559	37,917,240
Unrestricted	47,844,692	49,288,154	58,893,202	59,555,627
Total business-type activities net position	326,809,516	352,280,447	397,983,444	428,206,923
Primary government				
Net investment in capital assets	1,300,398,982	1,394,514,532	1,522,269,756	1,646,105,613
Restricted	92,718,300	101,013,964	104,005,239	115,075,360
Unrestricted	91,117,333	94,660,002	107,112,190	114,522,006
Total primary government net position	$ 1,484,234,615	$ 1,590,188,498	$ 1,733,387,185	$ 1,875,702,979

2020	2021	2022	2023	2024	2025
$ 1,375,189,312	$ 1,377,424,378	$ 1,418,589,171	$ 1,629,704,647	$ 1,719,006,495	$ 1,877,000,303
74,348,180	83,564,484	79,492,981	115,789,781	140,794,627	149,831,316
63,089,924	76,019,002	102,827,708	125,352,724	122,589,523	122,824,095
1,512,627,416	1,537,007,864	1,600,909,860	1,870,847,152	1,982,390,645	2,149,655,714
359,016,697	367,819,577	384,612,613	417,152,759	493,028,421	531,028,372
36,861,360	45,397,680	48,698,597	52,921,452	28,299,111	20,229,685
69,008,288	73,012,369	90,052,754	106,993,492	129,648,023	140,443,450
464,886,345	486,229,626	523,363,964	577,067,703	650,975,555	691,701,507
1,734,206,009	1,745,243,955	1,803,201,784	2,046,857,406	2,212,034,916	2,408,028,675
111,209,540	128,962,164	128,191,578	168,711,233	169,093,738	170,061,001
132,098,212	149,031,371	192,880,462	232,346,216	252,237,546	263,267,545
$ 1,977,513,761	$ 2,023,237,490	$ 2,124,273,824	$ 2,447,914,855	$ 2,633,366,200	$ 2,841,357,221

City of Frisco

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	$ 56,719,612	$ 71,141,026	$ 75,995,523	$ 81,789,316
Public safety	66,878,782	75,124,144	82,425,573	92,202,109
Public works	46,082,286	44,655,377	49,265,749	51,333,497
Culture & recreation	33,135,218	35,598,228	39,046,786	40,449,835
Interest on long-term debt	17,577,838	19,087,970	18,785,636	21,126,900
Total governmental activities expenses	220,393,736	245,606,745	265,519,267	286,901,657
Business-type activities:				
Water & sewer	78,892,654	95,527,532	93,666,630	101,466,829
Non-major enterprise funds	13,713,061	14,762,734	17,221,827	19,367,794
Total business-type activities expenses	92,605,715	110,290,266	110,888,457	120,834,623
Total primary government expenses	$ 312,999,451	$ 355,897,011	$ 376,407,724	$ 407,736,280
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 20,285,841	$ 22,097,082	$ 22,502,540	$ 25,060,656
Public safety	3,829,863	4,451,318	4,205,493	4,513,162
Public works	117,529	123,470	94,935	239,853
Culture & recreation	5,857,044	6,029,895	5,966,865	5,841,035
Operating grants and contributions	4,944,360	4,305,641	7,374,981	10,992,363
Capital grants and contributions	199,150,396	87,384,164	82,826,541	110,727,397
Total governmental activities program revenues	234,185,033	124,391,570	122,971,355	157,374,466
Business-type activities:				
Charges for services:				
Water & sewer	79,399,924	84,814,386	9,676,900	95,978,738
Non-major enterprise funds	16,202,674	17,083,995	20,055,741	21,624,569
Operating grants and contributions	67,965	142,500	—	29,500
Capital grants and contributions	32,233,793	34,841,951	40,895,889	33,909,304
Total business-type activities program revenues	127,904,356	136,882,832	70,628,530	151,542,111
Total primary government program revenues	$ 362,089,389	$ 261,274,402	$ 193,599,885	$ 308,916,577
Net (expense)/revenue				
Governmental activities	$ 13,791,297	$ (121,215,175)	$ (142,547,912)	$ (129,527,191)
Business-type activities	35,298,641	26,592,566	46,831,073	30,707,488
Total primary government net expense	$ 49,089,938	$ (94,622,609)	$ (95,716,839)	$ (98,819,703)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Ad valorem taxes	$ 97,716,101	$ 112,456,629	$ 120,389,122	$ 131,952,480
Sales taxes	37,826,251	40,408,821	43,363,487	44,647,320
Franchise taxes	9,366,054	10,126,891	11,007,612	10,899,394
Other taxes	5,278,619	5,678,518	7,212,592	7,733,104
Ad valorem taxes, Intergovernmental	18,109,962	28,275,708	54,774,029	32,894,962
Grants and contributions not restricted to programs	—	—	—	—
Investment earnings	1,805,611	2,717,226	5,434,361	9,907,059
Transfers	2,358,417	2,034,334	2,261,440	3,585,187
Total governmental activities	172,461,015	201,698,127	244,442,643	241,619,506
Business-type activities:				
Intergovernmental	446,978	124,048	169,584	114,960
Investment earnings	451,606	788,651	1,696,952	2,986,218
Gain on sale of capital assets	—	—	—	—
Transfers	(2,358,417)	(2,034,334)	(2,261,440)	(3,585,187)
Total business-type activities	(1,459,833)	(1,121,635)	(394,904)	(484,009)
Total primary government	171,001,182	200,576,492	244,047,739	241,135,497
Change in Net Position				
Governmental activities	186,252,312	80,482,952	101,894,731	112,092,315
Business-type activities	33,838,808	25,470,931	46,436,169	30,223,479
Total primary government net expense	$ 220,091,120	$ 105,953,883	$ 148,330,900	$ 142,315,794

2020	2021	2022	2023	2024	2025
$ 93,428,738	$ 92,795,035	$ 102,466,806	$ 107,480,307	$ 113,278,014	$ 137,969,533
95,145,910	106,713,823	105,809,779	122,379,383	129,266,692	147,997,999
53,555,748	62,311,511	65,960,543	71,000,153	74,720,050	88,535,002
37,418,970	32,772,532	35,623,318	43,578,414	57,101,287	62,300,404
22,274,232	22,093,367	23,800,021	36,546,363	36,018,232	36,206,209
301,823,598	316,686,268	333,660,467	380,984,620	410,384,275	473,009,147
103,357,849	107,973,934	114,982,995	131,605,087	143,458,432	173,125,622
20,575,386	26,232,863	24,983,495	30,115,945	29,903,499	31,918,626
123,933,235	134,206,797	139,966,490	161,721,032	173,361,931	205,044,248
$ 425,756,833	$ 450,893,065	$ 473,626,957	$ 542,705,652	$ 583,746,206	$ 678,053,395
$ 20,076,791	$ 10,981,423	$ 13,812,550	$ 8,712,800	$ 13,006,154	$ 17,332,625
4,256,643	14,566,360	15,097,220	14,421,437	12,513,927	14,855,355
119,616	101,817	169,563	177,050	112,984	135,106
3,040,120	4,077,423	6,594,845	10,670,516	7,411,249	7,875,803
20,906,735	16,941,430	7,019,760	7,730,605	8,192,900	34,567,924
66,775,450	30,506,858	52,269,697	243,407,051	83,996,036	166,920,497
115,175,355	77,175,311	94,963,635	285,119,459	125,233,250	241,687,310
104,121,381	106,735,274	127,625,789	139,476,276	152,091,454	161,870,972
22,970,543	25,747,755	27,888,005	33,019,272	36,012,819	39,231,007
—	93,984	67,720	15,534	20,311	501
30,875,237	23,139,862	27,093,655	32,351,274	49,372,513	37,523,613
157,967,161	155,716,875	182,675,169	204,862,356	237,497,097	238,626,093
$ 273,142,516	$ 232,892,186	$ 277,638,804	$ 489,981,815	$ 362,730,347	$ 480,313,403
$ (186,648,243)	$ (239,510,957)	$ (238,696,832)	$ (95,865,161)	$ (285,151,025)	$ (231,321,838)
34,033,926	21,510,078	42,708,679	43,141,324	64,135,166	33,581,845
$ (152,614,317)	$ (218,000,879)	$ (195,988,153)	$ (52,723,837)	$ (221,015,859)	$ (197,739,993)
$ 142,497,915	$ 150,882,839	$ 162,681,758	$ 186,988,575	$ 203,270,427	$ 219,764,171
45,124,776	54,984,501	68,114,505	68,795,969	69,858,143	71,287,695
10,558,237	10,031,878	11,831,566	16,257,923	12,971,305	15,189,336
4,899,326	5,910,603	9,559,643	12,353,142	15,061,554	16,108,977
41,064,382	39,058,316	41,953,571	43,525,136	49,284,634	29,955,133
—	—	—	—	—	3,227,067
6,519,627	432,149	2,161,208	31,457,237	42,774,755	40,363,924
1,115,340	2,591,119	6,296,577	5,937,762	3,473,700	2,690,604
251,779,603	263,891,405	302,598,828	365,315,744	396,694,518	398,586,907
2,017,771	2,283,546	645,594	8,324,110	2,136,996	—
1,743,065	140,776	76,642	8,176,067	11,109,390	9,651,961
—	—	—	—	—	182,750
(1,115,340)	(2,591,119)	(6,296,577)	(5,937,762)	(3,473,700)	(2,690,604)
2,645,496	(166,797)	(5,574,341)	10,562,415	9,772,686	7,144,107
254,425,099	263,724,608	297,024,487	375,878,159	406,467,204	405,731,014
65,131,360	24,380,448	63,901,996	269,450,583	111,543,493	167,265,069
36,679,422	21,343,281	37,134,338	53,703,739	73,907,852	40,725,952
$ 101,810,782	$ 45,723,729	$ 101,036,334	$ 323,154,322	$ 185,451,345	$ 207,991,021

FRISCO
PROGRESS IN MOTION

City of Frisco
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax (1)	Sales Tax	Franchise Tax	Other Tax	Total
2016	97,716,101	37,826,251	9,366,054	5,278,619	150,187,025
2017	112,456,629	40,408,821	10,126,891	5,678,518	168,670,859
2018	120,389,122	43,363,487	11,007,612	7,212,592	181,972,813
2019	131,952,480	44,647,320	10,899,394	7,733,104	195,232,298
2020	142,497,915	45,124,776	10,558,237	4,899,326	203,080,254
2021	150,882,839	54,984,501	10,031,878	5,910,603	221,809,821
2022	162,817,283	68,114,505	11,599,788	7,951,774	250,483,350
2023	186,988,575	68,795,969	16,257,923	12,353,142	284,395,609
2024	203,270,427	69,858,143	12,971,305	15,061,554	301,161,429
2025	219,764,171	71,287,695	15,189,336	16,108,977	322,350,179

(1) Includes tax increment reinvestment zone tax collections each year.

2016	5,464,343
2017	5,964,570
2018	6,922,354
2019	7,933,201
2020	8,665,933
2021	9,084,548
2022	9,631,017
2023	11,531,582
2024	13,479,541
2025	14,690,088

City of Frisco

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	2016	2017	2018	2019
General fund				
Nonspendable	$ 657,471	$ 759,272	$ 777,323	$ 1,294,145
Committed	16,466,361	10,534,528	15,357,662	19,448,471
Assigned	—	—	—	—
Unassigned	52,310,008	63	64,320,358	72,539,025
Total general fund	69,433,840	11,293,863	80,455,343	93,281,641
All other governmental funds				
Nonspendable	734,603	657,232	2,078,369	1,414,108
Restricted for:				
Debt service	5,175,796	5,847,513	6,181,803	5,594,173
Capital projects for future construction	224,453,812	218,222,683	215,663,589	303,386,988
Other purposes	8,361,344	9,082,010	9,864,542	9,654,771
Committed to:				
Capital projects for future construction	—	—	—	—
Assigned to:				
Capital projects for future construction	—	—	—	—
Total all other governmental funds	$ 238,725,555	$ 233,809,438	$ 233,788,303	$ 320,050,040

2020	2021	2022	2023	2024	2025
$ 2,363,955	$ 2,964,991	$ 4,055,129	$ 5,863,822	$ 7,068,171	$ 7,575,440
24,176,860	35,607,863	38,297,316	48,668,312	51,186,466	53,409,467
—	24,000,000	24,000,000	24,000,000	40,000,000	35,475,231
78,830,852	63,442,208	81,590,881	96,200,431	99,605,373	114,455,706
105,371,667	126,015,062	147,943,326	174,732,565	197,860,010	210,915,844
361,590	259,913	403,524	2,506,593	3,922,302	1,812,103
5,379,166	3,333,381	2,868,346	6,946,350	10,015,182	9,772,952
289,557,566	327,109,195	410,682,562	509,839,625	532,172,913	598,980,815
10,701,239	12,788,567	15,377,800	24,158,986	33,304,539	48,054,994
—	—	—	—	—	—
—	—	—	—	—	—
$ 305,999,561	$ 343,491,056	$ 429,332,232	$ 543,451,554	$ 579,414,936	$ 658,620,864

City of Frisco

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	2016	2017	2018	2019
Revenues				
Taxes				
Property	$ 97,282,372	$ 112,313,490	$ 120,342,757	$ 132,255,261
Sales	37,826,251	40,408,821	43,363,487	44,647,320
Franchise	9,191,454	9,458,534	10,519,862	10,899,394
Hotel/motel	4,486,093	4,829,350	6,141,721	6,585,178
Other	792,526	849,168	1,070,871	1,147,926
Licenses and permits	11,679,493	12,904,536	12,906,768	11,845,079
Intergovernmental	37,848,162	25,271,312	34,343,637	31,505,376
Charges for services	8,689,774	9,518,417	9,307,701	12,440,670
Fines	2,747,076	2,744,917	2,685,495	2,790,298
Special assessments	17,068,934	13,128,149	9,456,594	12,269,748
Rents	6,636,174	6,775,706	7,107,397	7,868,238
Investment earnings	1,857,133	2,731,486	5,449,676	9,923,941
Contributions and donations	118,842,017	13,192,698	5,957,131	10,127,217
Payments from component units	7,376,943	18,516,124	30,054,581	6,527,981
Miscellaneous	466,688	424,768	259,802	415,895
Total revenues	362,791,090	273,067,476	298,967,480	301,249,522
Expenditures				
Current:				
General government	49,016,189	63,039,357	58,364,668	61,656,204
Public safety	60,113,259	67,730,266	75,812,773	82,171,292
Public works	10,174,879	13,291,112	15,287,383	13,784,679
Culture & recreation	20,723,877	23,498,609	25,849,819	26,439,537
Capital outlay	190,366,612	96,675,046	111,765,196	74,689,302
Debt Service:				
Principal retirement	30,565,000	35,675,000	39,365,000	42,870,000
Interest and fiscal charges	24,630,277	25,675,859	25,575,706	26,527,706
Total expenditures	385,590,093	325,585,249	352,020,545	328,138,720
Deficiency of revenues under expenditures	(22,799,003)	(52,517,773)	(53,053,065)	(26,889,198)
Other financing sources (uses)	—			
Issuance of debt	136,075,000	45,510,000	53,635,000	115,325,000
Premium on bonds issued	20,691,926	4,337,120	3,288,439	5,881,139
Discount on bonds issued	(277,741)	(245,231)	(57,075)	(22,583)
Payment to refunded debt escrow	(74,793,146)	—	—	—
Proceeds from sale of assets	488,358	349,033	542,029	1,208,489
Lease & SBITA financing	—	—	—	—
Transfers in	29,074,998	34,018,890	37,854,586	40,587,673
Transfers out	(26,716,581)	(31,984,556)	(35,593,146)	(37,002,486)
Total other financing sources (uses)	84,542,814	51,985,256	59,669,833	125,977,232
Net change in fund balances	$ 61,743,811	$ (532,517)	$ 6,616,768	$ 99,088,034
Debt service as a percentage of noncapital expenditures	28 %	27 %	27 %	27 %

2020	2021	2022	2023	2024	2025
$ 142,680,642	$ 150,499,477	$ 162,817,283	$ 186,669,501	$ 202,281,214	$ 220,101,137
45,124,776	54,984,501	68,114,505	68,795,969	69,858,143	71,287,695
10,377,109	10,208,513	11,599,788	14,065,163	13,503,344	14,563,786
3,986,339	4,716,757	7,951,774	10,518,328	12,959,430	14,139,867
912,987	1,193,846	1,607,869	1,834,814	2,102,124	1,969,110
11,042,795	11,400,651	11,810,918	10,731,154	8,612,363	10,761,372
42,359,161	31,987,641	37,002,768	37,306,621	35,996,946	62,604,927
6,660,246	8,992,914	11,765,777	13,238,350	13,433,228	14,578,649
1,653,881	1,453,044	1,930,831	2,264,137	2,403,154	2,810,833
10,281,368	4,636,136	9,175,965	16,007,448	14,323,108	8,862,356
7,346,215	7,621,861	8,240,008	7,034,500	6,088,996	8,814,190
6,535,040	451,584	2,187,692	31,544,564	42,775,458	40,363,924
18,588,225	14,019,943	11,928,641	8,195,194	23,893,353	30,309,331
14,427,272	12,015,743	9,543,980	12,154,608	20,711,653	60,680,852
555,915	327,808	1,413,490	457,919	1,957,184	2,648,303
322,531,971	314,510,419	357,091,289	420,818,270	470,899,698	564,496,332
73,405,760	72,066,799	84,018,396	84,235,809	89,607,284	110,899,613
85,683,572	93,734,421	100,889,707	110,984,296	119,096,669	131,379,518
14,104,118	14,689,360	15,303,760	17,194,467	16,807,131	20,808,105
23,273,373	24,060,845	27,056,390	32,461,748	41,865,130	48,324,058
83,886,289	63,475,200	87,962,224	123,228,219	197,399,779	308,276,524
47,270,000	49,710,000	52,621,103	62,890,099	57,705,449	65,154,535
28,466,893	28,106,672	29,501,052	28,406,187	37,036,851	39,620,180
356,090,005	345,843,297	397,352,632	459,400,825	559,518,293	724,462,533
(33,558,034)	(31,332,878)	(40,261,343)	(38,582,555)	(88,618,595)	(159,966,201)
26,790,000	89,950,000	138,030,000	205,460,000	139,040,000	254,070,000
3,404,111	12,068,625	7,025,585	12,166,495	12,747,013	13,065,375
(2,809)	—	(29,433)	(624,813)	(249,778)	(878,226)
—	(15,620,165)	(5,174,238)	(44,479,734)	(12,435,273)	(33,135,000)
290,939	478,189	566,135	268,188	551,535	862,397
—	—	1,316,157	276,509	4,582,225	15,552,813
48,208,830	45,775,727	51,200,072	46,855,708	50,757,876	61,856,247
(47,093,490)	(43,184,608)	(44,903,495)	(40,917,946)	(47,284,176)	(59,165,643)
31,597,581	89,467,768	148,030,783	179,004,407	147,709,422	252,227,963
$ (1,960,453)	$ 58,134,890	$ 107,769,440	$ 140,421,852	$ 59,090,827	$ 92,261,762
28 %	28 %	27 %	27 %	26 %	25 %

FRISCO
PROGRESS IN MOTION

City of Frisco
General Governmental Tax Revenues By Source
Last Ten Years
(modified accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/motel	Other	Total
2016	97,282,372	37,826,251	9,191,454	4,486,093	792,526	149,578,696
2017	112,313,490	40,408,821	9,458,534	4,829,350	849,168	167,859,363
2018	120,342,757	43,363,487	10,519,862	6,141,721	1,070,871	181,438,698
2019	132,255,261	44,647,320	10,899,394	6,585,178	1,147,926	195,535,079
2020	142,680,642	45,124,776	10,377,109	3,986,339	912,987	203,081,853
2021	150,499,477	54,984,501	10,208,513	4,716,757	1,193,846	221,603,094
2022	162,817,283	68,114,505	11,599,788	7,951,774	1,607,869	252,091,219
2023	186,669,501	68,795,969	14,065,163	10,518,328	2,102,124	282,151,085
2024	202,281,214	69,858,143	13,503,344	12,959,430	2,102,124	300,704,255
2025	220,101,137	71,287,695	14,563,786	14,139,867	1,969,110	322,061,595

City of Frisco
Property Values
Last Ten Fiscal Years
(Amounts Expressed in Thousands)
(unaudited)

Fiscal Year	Residential	Commercial	Agricultural	Other	Total
2016	15,495,664	5,516,991	2,099,118	2,095,166	25,206,939
2017	18,186,050	6,466,246	2,329,473	2,746,943	29,728,712
2018	20,542,246	7,576,109	2,328,891	3,146,033	33,593,279
2019	22,501,199	8,935,342	2,203,443	3,051,263	36,691,247
2020	23,924,575	10,104,516	2,035,975	3,990,316	40,055,382
2021	24,989,914	11,138,005	2,002,203	4,243,330	42,373,452
2022	27,731,468	11,872,692	1,721,341	4,360,238	45,685,739
2023	37,368,444	13,567,018	1,855,724	4,679,864	57,471,050
2024	45,403,087	15,428,950	1,932,953	6,001,093	68,766,083
2025	46,934,503	17,071,137	1,826,270	6,180,156	72,012,066

Less: Exemptions	Net Taxable	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
4,411,470	20,795,469	0.46000	20,795,469	82%
5,445,325	24,283,387	0.45000	24,283,387	82%
7,060,439	26,532,840	0.44660	26,532,840	79%
7,883,430	28,807,817	0.44660	28,807,817	79%
8,402,835	31,652,547	0.44660	31,652,547	79%
8,654,915	33,718,537	0.44660	33,718,537	80%
9,027,369	36,658,370	0.44660	36,658,370	80%
15,106,958	42,364,092	0.44660	42,364,092	74%
20,920,607	47,845,476	0.43221	47,845,476	70%
19,309,721	52,702,345	0.42552	52,702,345	73%

City of Frisco

Property Tax Rates
Direct and Overlapping Governments
(Per $100 of Assessed Value)
Last Ten Fiscal Years
(unaudited)

Collin County

Tax Year	Fiscal Year	City of Frisco			Collin County, Texas			Frisco Independent School District		
		Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total
2015	2016	0.297064	0.162936	0.460000	0.169800	0.055200	0.225000	1.040000	0.420000	1.460000
2016	2017	0.294052	0.155948	0.450000	0.153195	0.055200	0.208400	1.040000	0.420000	1.460000
2017	2018	0.290435	0.156165	0.446600	0.138796	0.053450	0.192200	1.040000	0.420000	1.460000
2018	2019	0.293367	0.153233	0.446600	0.127212	0.053573	0.180800	1.170000	0.270000	1.440000
2019	2020	0.291520	0.155080	0.446600	0.122951	0.052000	0.175000	1.068300	0.270000	1.338300
2020	2021	0.298973	0.147627	0.446600	0.120501	0.052030	0.172500	1.040200	0.270000	1.310200
2021	2022	0.295215	0.151385	0.446600	0.116836	0.051251	0.168087	0.997200	0.270000	1.267200
2022	2023	0.290928	0.155672	0.446600	0.108172	0.044271	0.152443	0.942900	0.270000	1.212900
2023	2024	0.289263	0.142942	0.432205	0.107493	0.041850	0.149343	0.757500	0.270000	1.027500
2024	2025	0.283406	0.142111	0.425517	0.108387	0.040956	0.149343	0.755200	0.270000	1.025200

Information obtained from the Collin County Central Appraisal District.

Denton County

Tax Year	Fiscal Year	City of Frisco			Denton County, Texas			Frisco Independent School District		
		Operating	Debt Services	Total	Operating	Debt Service	Total	Operating	Debt Service	Total
2015	2016	0.297064	0.162936	0.460000	0.192148	0.069852	0.262000	1.040000	0.420000	1.460000
2016	2017	0.294052	0.155948	0.450000	0.182418	0.065991	0.248410	1.040000	0.420000	1.460000
2017	2018	0.290435	0.156165	0.446600	0.173786	0.064026	0.237810	1.040000	0.420000	1.460000
2018	2019	0.293367	0.153233	0.446600	0.167712	0.057862	0.225570	1.170000	0.270000	1.440000
2019	2020	0.291520	0.155080	0.446600	0.171658	0.053620	0.225280	1.068300	0.270000	1.338300
2020	2021	0.298973	0.147627	0.446600	0.168381	0.056604	0.224985	1.040200	0.270000	1.310200
2021	2022	0.295215	0.151385	0.446600	0.181533	0.051553	0.233086	0.997200	0.270000	1.267200
2022	2023	0.290928	0.155672	0.446600	0.167502	0.050041	0.217543	0.942900	0.270000	1.212900
2023	2024	0.289263	0.142942	0.432205	0.146366	0.043119	0.189485	0.757500	0.270000	1.027500
2024	2025	0.283406	0.142111	0.425517	0.143444	0.044425	0.187869	0.755200	0.270000	1.025200

Information obtained from the Denton County Central Appraisal District.

Collin County Community College			Prosper Independent School District			Total Direct and Overlapping Rates FISD	Total Direct and Overlapping Rates PISD
Operating	Debt Service	Total	Operating	Debt Service	Total		
0.078965	0.002995	0.081960	1.170000	0.500000	1.670000	2.226960	2.436960
0.078174	0.003048	0.081222	1.170000	0.500000	1.670000	2.199620	2.409620
0.077110	0.002692	0.079802	1.170000	0.500000	1.670000	2.178650	2.388650
0.079100	0.002122	0.081222	1.170000	0.500000	1.670000	2.148610	2.378610
0.079100	0.002122	0.081222	1.068350	0.500000	1.568350	2.041070	2.271120
0.079017	0.002205	0.081222	0.992700	0.500000	1.492700	2.010550	2.193050
0.079100	0.002122	0.081222	0.960300	0.500000	1.460300	1.963110	2.156210
0.075000	0.006220	0.081220	0.942900	0.500000	1.442900	1.893160	2.123160
0.075000	0.006220	0.081220	0.757500	0.500000	1.257500	1.690268	1.920268
0.075000	0.006200	0.081200	0.755200	0.500000	1.255200	1.681260	1.911260

Lewisville Independent School District			Little Elm Independent School District			Total Direct and Overlapping Rates FISD	Total Direct and Overlapping Rates LISD	Total Direct and Overlapping Rates LEISD
Operating	Debt Services	Total	Operating	Debt Services	Total			
1.040000	0.436730	1.476730	1.170000	0.370000	1.540000	2.182000	2.198730	2.262000
1.040000	0.380000	1.420000	1.170000	0.370000	1.540000	2.158409	2.118409	2.238409
1.040000	0.367500	1.407500	1.170000	0.370000	1.540000	2.144412	2.091912	2.224412
1.040000	0.367500	1.407500	1.170000	0.470000	1.640000	2.112174	2.079674	2.312174
0.970000	0.367500	1.337500	1.068300	0.470000	1.538300	2.010178	2.009378	2.210178
0.966400	0.380900	1.347300	1.023600	0.470000	1.493600	1.981785	2.018885	2.165185
0.927600	0.380900	1.308500	0.960300	0.470000	1.430300	1.946886	1.988186	2.109986
0.855900	0.380900	1.236800	0.942900	0.470000	1.412900	1.877043	1.900943	2.077043
0.749200	0.380900	1.130100	0.757500	0.470000	1.227500	1.649190	1.751790	1.849190
0.746900	0.370900	1.117800	0.755200	0.470000	1.225200	1.638586	1.731186	1.838586

FRISCO
PROGRESS IN MOTION

City of Frisco
Principal Taxpayers
Current Year and Nine Years Ago
September 30, 2025
(unaudited)

	2025			2016		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Stonebriar Mall Ltd Partnership	$ 372,276,667	1	0.71 %	$ 287,982,811	1	1.14 %
Blue Star HQ Inc.	221,550,743	2	0.42 %			
TGA BSL Lonestar Owner LLC	217,815,673	3	0.39 %			
BRE Retail Residual Owneer 1 LLC	192,500,000	4	0.37 %			
PPF AMLI Parkwood Boulevard LLC	155,758,680	5	0.30 %	66,124,988	4	0.26 %
Blue Star Land Phase III LLC	155,089,090	6	0.29 %			
Blue Star Land Phase IV LLC	141,473,824	7	0.27 %			
UDR Cool Springs I LLC	111,601,800	8	0.21 %			
HP D4 Residential LLC	109,800,000	9	0.21 %			
Atherton Frisco Holdings LLC	108,847,537	10	0.21 %			
BPR Shopping Center LP				121,936,281	2	0.48 %
Hall Office Portfolio DB LLC				77,440,725	3	0.31 %
Specified Properties				64,642,933	5	0.26 %
Columbia Medical Center				63,587,704	6	0.25 %
Pure as Apts LLC				63,493,738	7	0.25 %
Tenet Frisco Ltd				63,316,269	8	0.25 %
CH Realty VII/MF Frisco S				58,500,840	9	0.23 %
Oncor Electric Delivery Company				57,348,106	10	0.23 %
	$1,786,714,014		3.38 %	$ 924,374,395		3.66 %

Source: Collin County Central Appraisal District
Denton County Central Appraisal District

City of Frisco
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30		Total Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years
			Amount (1)	Percentage of Levy	
2016		96,315,490	95,400,787	99.1%	864,594
2017		108,900,105	108,630,126	99.8%	215,623
2018		118,458,993	118,194,277	99.8%	196,285
2019		130,215,109	129,917,230	99.8%	225,877
2020	(2)	141,144,312	141,130,104	100.0%	(115,420)
2021		149,783,428	149,048,880	99.5%	506,381
2022		162,285,191	161,828,147	99.7%	142,268
2023		186,534,516	185,515,546	99.5%	656,501
2024		203,337,309	201,972,839	99.3%	376,143
2025		220,689,519	219,466,895	99.4%	—

(1) Includes Rollback Tax Collections each year:

2015	1,798,784
2016	2,085,716
2017	2,904,273
2018	2,281,810
2019	1,865,915
2020	1,660,590
2021	567,888
2022	754,845
2023	489,002
2024	1,133,962
2025	2,000,613

(2) Protests resulted in a decrease in the levy and a refund back to the taxpayers

Total Collections to Date	
Amount	Percentage to Levy
96,265,381	99.9%
108,845,750	100.0%
118,390,562	99.8%
130,143,107	99.9%
141,014,684	99.9%
149,555,261	99.8%
161,970,415	99.8%
186,172,047	99.8%
202,347,982	99.5%
219,466,895	99.4%

City of Frisco
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities				Business-Type Activities			
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Leases	SBITAs	General Obligation Bonds (1)	Certificates of Obligation	Leases	SBITAs
2015	419,158,041	199,484,507	—	—	82,020,832	58,220,972	—	—
2016	468,046,042	192,838,087	—	—	76,173,629	72,011,281	—	—
2017	477,748,965	186,123,039	—	—	69,796,969	82,174,273	—	—
2018	491,948,330	178,133,394	—	—	61,370,686	93,621,865	—	—
2019	515,948,510	222,128,248	—	—	52,846,584	99,377,210	—	—
2020	498,318,357	212,716,332	—	—	44,280,909	109,586,713	—	—
2021	534,795,879	202,317,208	—	—	35,472,141	126,753,994	—	—
2022	581,709,397	231,049,509	1,040,055	—	27,714,973	134,616,401	77,864	—
2023	660,517,677	252,329,589	720,321	929,873	34,026,010	132,689,623	55,519	90,768
2024	706,427,045	281,174,241	594,694	3,702,275	34,760,585	137,070,609	32,809	—
2025	771,719,691	378,868,477	539,214	13,581,033	27,048,874	200,170,045	9,728	—

(1) Includes General Obligation Refunding Bonds which are not supported by ad valorem tax.

Total Primary Government	Percentage of Personal Income	Per Capita
809,069,039	11%	5,115
815,843,246	9%	4,818
825,074,275	9%	4,584
890,300,552	9%	4,683
864,902,311	8%	4,268
899,339,222	8%	4,247
976,208,198	8%	4,381
1,081,359,380	7%	4,723
1,163,762,258	7%	4,921
1,391,937,062	8%	5,886

City of Frisco

Ratio of Net Bonded General Obligation Debt to Assessed Value
And Net Bonded General Obligation Debt Per Capita
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Assessed Value (,000) (2)	General Obligation Bonded Debt (3)	Less Debt Service Funds (4)
2016	158,180	20,795,469	544,219,671	2,061,052
2017	169,320	24,283,387	547,545,934	2,769,122
2018	180,000	26,532,840	553,319,016	3,048,556
2019	190,093	28,807,817	568,795,094	1,948,700
2020	202,666	31,652,547	542,599,266	2,063,994
2021	211,758	33,718,537	570,268,020	46,807
2022	222,849	36,658,370	611,234,369	—
2023	228,941	42,364,092	694,543,687	2,879,235
2024	236,483	47,845,476	741,187,630	5,825,623
2025	244,534 (1)	52,702,345	798,768,565	4,323,897

(1) Population estimate as of September 30, 2025
(2) Original Certified Taxable Value (,000)
(3) Includes refunded bonded debt which is not supported by ad valorem tax
(4) This represents net position restricted for debt service

Net Bonded General Obligation Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded General Obligation Debt per Capita
499,156,822	2.77	3,305
542,158,619	2.59	3,408
544,776,812	2.23	3,199
550,270,460	2.07	3,057
566,846,394	1.97	2,982
540,535,272	1.71	2,667
611,234,369	1.67	2,743
691,664,452	1.63	3,021
735,362,007	1.54	3,110
794,444,668	1.51	3,249

City of Frisco
Computation of Direct and Overlapping Bonded Debt
Net Bonded Debt Outstanding
September 30, 2025
(unaudited)

Jurisdiction	Net Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct debt: (2)			
City of Frisco, Texas	$ 1,324,890,000	100.00%	$ 1,324,890,000
Total direct debt	1,324,890,000		1,324,890,000
Overlapping debt: (1)			
Collin County	982,755,000	14.16%	139,158,108
Collin County College District	438,250,000	14.16%	62,056,200
Denton County	721,100,000	11.40%	82,205,400
Frisco Independent School District	2,060,233,257	72.43%	1,492,226,948
Frisco West WC & ID	31,864,000	0.07%	22,305
Lewisville Independent School District	1,545,585,000	3.74%	57,804,879
Little Elm Independent School District	568,976,058	12.09%	68,789,205
Prosper Independent School District	2,438,331,426	12.17%	296,744,935
Total overlapping debt	8,787,094,741		2,199,007,980
Total direct and overlapping debt	10,111,984,741		$ 3,523,897,980
Total direct and overlapping debt % of assessed value			6.69 %
Total direct and overlapping debt per capita			$14,411

(1) Information obtained from the Municipal Advisory Council (MAC) of Texas Report.
(2) Premiums and Discounts are not included in MAC Report.

City of Frisco
Computation of Legal Debt Margin
September 30, 2025
(unaudited)

The City Charter of the City of Frisco, Texas does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to $2.50 per $100 assessed valuation.

The tax rate for fiscal year 2025 was established at $0.425517 per $100 of assessed valuation based on taxable appraised value.

City of Frisco

Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population		Personal Income (,000)	Per Capita Income		Median Age		School Enrollment		Unemployment Rate	
2016	158,180		7,555,626	47,766		37.0		55,924		3.9 %	
2017	169,320		8,926,212	52,718		37.4		58,461		3.7 %	
2018	180,000		9,428,040	52,378		37.4		60,205		3.2 %	
2019	190,093		10,131,006	53,295		37.7		62,730		3.1 %	
2020	202,666		10,237,268	50,513		36.0		63,533		3.6 %	
2021	211,758		10,696,532	50,513	*	36.0	*	65,494		3.6 %	*
2022	222,849		12,959,338	58,153		37.1		67,027		2.5 %	
2023	228,941		15,289,596	66,784		38.3		66,755		2.4 %	
2024	236,483		15,706,491	66,417		39.3		65,288		3.6 %	
2025	244,534	(1)	16,806,822	68,730	(2)	39.4	(2)	62,755	(3)	5.6 %	(2)

Sources:
(1) City of Frisco (At a Glance) as of September 30, 2024
(2) City of Frisco Development Services Annual Report January 2026
(3) Frisco Independent School District (School Enrollment), September 30, 2025
* Due to COVID-19 this data sourced from ACS does not have reliable data to update these figures

City of Frisco
Principal Employers
Current Year and Nine Years Ago
September 30, 2025
(unaudited)

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Frisco ISD (4,595 certified teachers)	8,850	1	6.83%	6,970	1	8.84%
Dallas Cowboys	2,000	2	1.54%			
City of Frisco	1,866	3	1.44%	1,430	3	1.81%
HCL Technologies LTD	1,500	4	1.16%			
Integrated Commercialization Solutions, Inc	1,300	5	1.00%			
Keurig Dr Pepper Inc	1,213	6	0.94%			
Amerisource Bergen Specialty Group	749	7	0.58%	1,450	2	1.84%
Baylor Medical Center (Warren Pkwy)	567	8	0.44%	642	5	0.81%
Community Impact Newspaper	500	9	0.39%			
Mario Sinacola & Sons Excavating	500	10	0.39%	603	6	0.76%
Conifer				1,150	4	1.46%
Oracle				500	7	0.63%
Centennial Hospital				490	8	0.62%
Collin College				429	9	0.54%
IKEA Frisco				423	10	0.54%
Total	19,045		14.71%	14,087		17.85%

Source: FEDC, Frisco ISD Communications

City of Frisco
City Government Employees by Function/Program
Last Ten Fiscal Years
(unaudited)

Function	2016	2017	2018	2019	2020 (1)	2021	2022	2023	2024	2025
General government	258	267	277	288	288	289	299	315	328	342
Public safety										
Police										
Officers	180	199	210	214	218	221	235	252	273	292
Civilians	78	91	101	111	111	114	118	120	132	120
Fire										
Firefighters and officers	197	210	227	237	238	239	248	248	249	254
Civilians	21	22	26	28	27	27	28	31	33	33
Highway and streets										
Engineering	48	49	41	42	42	42	43	44	49	49
Maintenance	55	58	75	77	77	77	77	78	78	80
Culture and recreation	472	482	480	487	467	460	474	479	490	499
Environmental services	15	16	16	18	21	22	22	25	26	27
Utilities	92	97	112	119	119	119	124	126	135	149
Stormwater	14	16	19	20	20	20	20	20	20	21
Total	1,430	1,507	1,584	1,641	1,628	1,630	1,688	1,738	1,813	1,866

Source: City of Frisco-Position Control
(1) During COVID-19 Pandemic, the City had a reduction in workforce of part time culture and recreation employees

City of Frisco
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Building permits issued										
Residential	2,187	1,936	2,248	2,083	2,282	2,373	1,384	954	1,258	1,132
Commercial	549	644	600	477	454	423	620	547	514	506
Planning and development submittals	600	609	622	582	712	890	966	914	885	984
Police										
Physical arrests	3,197	3,137	3,676	3,562	2,462	2,230	3,004	3,235	3,035	3,082
Traffic violations	21,008	19,062	21,394	15,701	11,257	10,139	13,180	12,365	14,142	14,757
Parking violations	294	265	623	3,339	193	313	303	232	456	554
Fire protection										
Number of calls answered	11,747	12,660	14,172	14,783	14,471	19,107	19,522	18,492	19,407	20,233
Inspections	6,386	4,151	2,275	3,201	2,904	4,968	7,769	8,215	7,804	8,736
Inspections - SAFER Program	1,532	1,059	2,058	2,272	1,397	2,541	1,213	1,319	1,180	1,446
Highways and streets										
Street resurfacing (square yards)	19,391	18,238	24,697	24,419	16,055	33,802	38,403	34,068	15,000	11,830
Street curb miles swept	10,417	10,417	10,672	10,672	10,780	10,780	13,899	19,128	16,961	16,961
Environmental services										
Solid waste collected (tons)	105,050	108,002	113,504	113,709	114,892	121,212	129,013	129,887	135,547	147,755
Recycled materials collected (tons)	17,457	18,868	23,506	19,352	20,364	22,977	21,495	24,704	23,706	23,103
Culture and Recreation										
Library transactions	3,613,178	3,560,913	4,790,505	5,059,673	2,965,852	3,352,640	3,697,226	4,789,550	6,280,160	6,941,077
Library visits	620,115	632,168	651,002	702,979	356,036	405,235	575,418	830,422	1,162,816	1,233,966
Park acreage	1,432	1,621	2,535	2,535	2,535	2,535	2,423	2,423	2,423	2,180
Athletic facilities and Senior Center (visits)	853,265	814,748	753,000	794,281	325,676	407,229	648,962	656,094	713,881	799,555
Water										
New Connections	2,889	2,262	2,457	2,114	2,490	2,507	1,558	1,171	1,453	1,339
Average daily consumption (million gallons/ day)	25.6	25.9	31.1	28.7	32.0	33.6	39.0	40.3	41.4	40.0
Sewer										
Average daily wastewater flow (million gallon/day)	13.2	12.7	13.4	13.4	14.9	15.0	14.9	16.5	17.0	16.8

Sources: Various government departments

City of Frisco
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Sports Complexes Supported	7	7	7	7	7	7	7	7	7	7
Museums, Art Gallery Supported**	3	3	3	3	3	3	3	3	3	3
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol and Traffic Dedicated Vehicles	60	65	70	72	75	79	83	88	94	97
Fire Stations	8	8	8	9	9	9	9	9	9	10
Highways and streets										
Streets (miles)	2,011	2,313	2,401	2,458	2,500	2,401	2,419	2,199	2,274	2,317
Streetlights/Street poles	9,360	10,032	10,421	11,636	12,032	12,908	13,029	13,191	13,647	13,844
Traffic signals	111	129	138	148	155	162	164	167	164	173
Culture and recreation										
Parks acreage										
Parks developed	921	921	921	1,545	1,545	1,545	1,528	1,530	1,530	1,629
Parks undeveloped	511	700	700	990	990	990	895	893	893	551
Swimming facilities	1	1	1	1	1	1	1	1	1	1
Recreation centers	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	8	8	8	8
Soccer fields	27	35	35	35	35	35	35	35	35	35
Baseball fields	24	24	24	24	24	24	24	24	24	24
Water										
Customers/Accounts	52,182	54,261	57,661	59,172	61,515	64,104	64,681	66,854	68,006	69,348
Water lines (miles)	914	993	1,030	1,059	1,059	1,131	1,156	1,178	1,212	1,248
Fire hydrants	9,886	10,801	11,215	11,624	11,622	12,382	12,907	13,244	13,660	14,116
Maximum daily capacity (millions of	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0
Wastewater										
Customer/Accounts	48,281	50,212	53,457	55,842	58,354	60,392	60,486	63,114	64,099	65,537
Sanitary sewers (miles)	705	742	789	798	798	865	865	873	897	920
Storm sewers (miles)	375	417	438	448	448	470	484	491	511	531

**Museums, Art Galleries Supported include the Heritage Museum

Source: Various government departments